to conduct sessions in the People's Republic of China afforded the ability to offer very large monetary incentives relative to subjects' living costs; in the highest payoff condition, subjects earned three times their normal monthly revenue in the course of a two-hour experiment. Results indicate a statistically significant impact of the level of monetary incentives on revealed risk preferences. However, even under extreme monetary incentives, subjects demanded amounts well in excess of expected value for low-probability gain prospects. *The American Economic Review*, December 1992, 82(5): 1120-1141. (Reprinted with permission of *The American Economic Review*.)

GAME THEORY

The Stochastic Choice Problem: A Game-Theoretic Approach, by Dov Monderer (Israel Institute of Technology)

The stochastic choice problem is formulated as a problem in the theory of values for cooperative games. The new formulation yields an independent proof of a conjecture of Block and Marschak (1960), which has been already proved (to be true) by Falmagne (1978). The game-theoretic approach gives a new insight and provides new tools to deal with the related binary stochastic choice problem, which is still open. *Journal of Mathematical Psychology*, December 1992, 36(4): 547-554. (Reprinted with permission of the *Journal of Mathematical Psychology*.)

UTILITY THEORY

Anomalies in Intertemporal Choice: Evidence and an Interpretation, by George Loewenstein (Carnegie Mellon University) and Drazen Prelec (Harvard University)

Research on decision making under uncertainty has been strongly influenced by the documentation of numerous expected utility (EU) anomalies behaviors that violate the expected utility axioms. The relative lack of progress on the closely related topic of intertemporal choice is partly due to the absence of an analogous set of discounted utility (DU) anomalies. We enumerate a set of DU anomalies analogous to the EU anomalies and propose a model that accounts for the anomalies, as well as other intertemporal choice phenomena incompatible with DU. We discuss implications for savings behavior, estimation of discount rates, and choice framing effects. *The Quarterly Journal of Economics*, May 1992, 107(2): 573-597. (Reprinted with permission of *The Quarterly Journal of Economics*.)