pleasantness and high Arousal) led to higher willingness-to-pay for insurance for possible losses of substantial value. Also, higher Calmness (i.e., Pleasantness and low Arousal) led to greater willingness-to-pay for lotteries. The results are interpreted in terms of two mechanisms: (i) congruency between Pleasantness and selected risk-taking decision strategy and (ii) Arousal-induced restriction in attentional capacity. *Organizational Behavior and Human Decision Processes,* January 1994, 57(1): 38-58. (Reprinted with permission of Academic Press, Inc.)

Robust Tolerance for Ambiguity, by James Bowen, Zi-lei Qiu, and Yi Li (University of Texas, Arlington)

We argue first that "ambiguous prospects" should be defined in a way that is compatible with dictionary definitions and other technical uses of ambiguity. We then define an ambiguous prospect as a disjunction of risky prospects. Then to harmonize some findings in the literature we test the hypothesis that people are ambiguity indifferent up to moderate amounts of ambiguity and are ambiguity averse only for large amounts of ambiguity. To test the hypothesis we found probability equivalents to risk for prospects of varying degrees of ambiguity. Up to an ambiguity range of .7 the equivalents were near that of a normatively equivalent risky prospect while the equivalents of highly ambiguous prospects differed. We interpret the data in terms of competing desires for minimum effort and maximum accuracy. *Organizational Behavior and Human Decision Processes,* January 1994, 57(1): 155-165. (Reprinted with permission of Academic Press, Inc.)

FROM THE

Game Theory

Conditional Influence Diagrams in Risk Management, by Yuan Hong and George Apostolakis (University of California, Los Angeles)

This paper introduces conditional influence diagrams into risk management. A contaminated-site cleanup involving two stakeholders is used as a hypothetical case study. The treatment choices must satisfy several conflicting objectives. Any decision made by one stakeholder will affect the choices of the other stakeholder. In building the influence diagrams for each of the stakeholders, the logical relationship of all relevant factors is determined and the values of these factors are analyzed. The influence diagrams are then used to evaluate the possible choices of each stakeholder based on decision options of the other stakeholder. These results are analyzed using game theory methods to gain insights useful to risk management and to demonstrate how mutual trust and cooperation can lead to decisions benefiting both stakeholders. *Risk Analysis,* December 1993, 13(6): 625-636. (Reprinted with permission of *Risk Analysis.*)