

PRE-PROBABILISTIC SOPHISTICATION AND PROBABILISTIC SOPHISTICATION

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We consider pre-probabilistic sophistication where an agent's two-outcome act is based on a probabilistic belief over a finite λ -system of events. We identify the likelihood relation on the events such that if an agent is pre-probabilistically sophisticated, then its probability measure must represent the likelihood relation. We give conditions on the relation that characterize pre-probabilistic sophistication. We also give a characterization of probabilistic sophistication over an algebra of events without assumptions of event non-satiation imposed by Chew and Sagi (2006), monotonicity, continuity, or comparative likelihood imposed by other authors.

KEYWORDS: Subjective probability, uncertainty, likelihood consistency, nonexpected utility, pre-probabilistic sophistication, probabilistic sophistication.