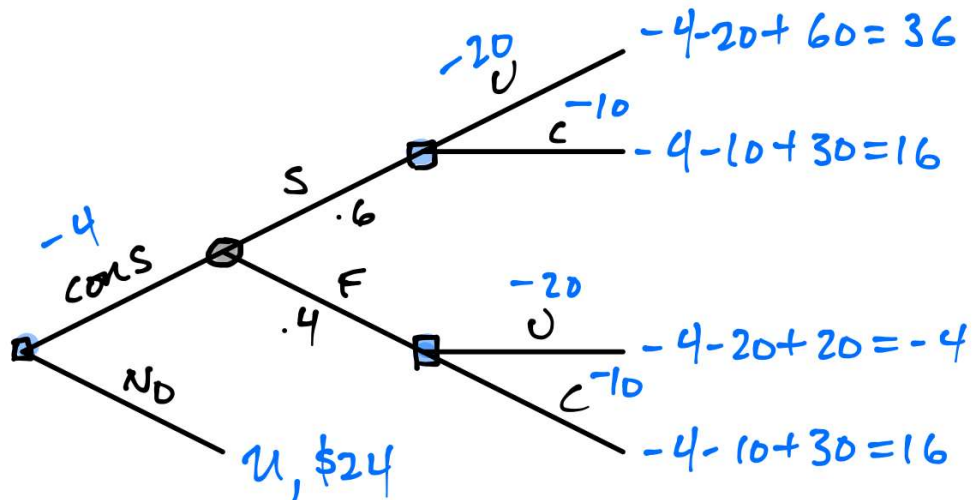
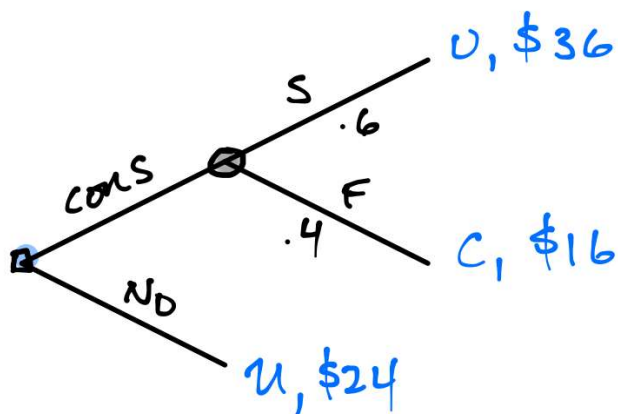


Solution: Buying information

Decision tree:

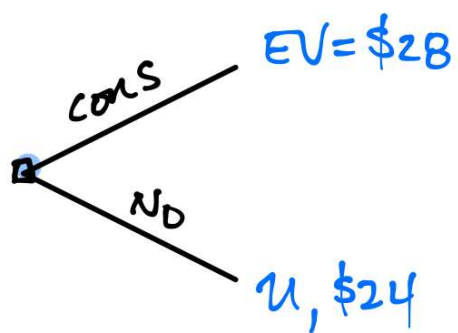


Evaluating the right-most decision nodes:



Evaluating the right chance node:

$$EV = 0.6 \cdot 36 + 0.4 \cdot 16 = 28$$



Conclusion:

Hire the consulting firm even though would upgrade anyway

What's the gain?

Knowing if F will occur: can avoid U when it would fail