# Solution: Value of information
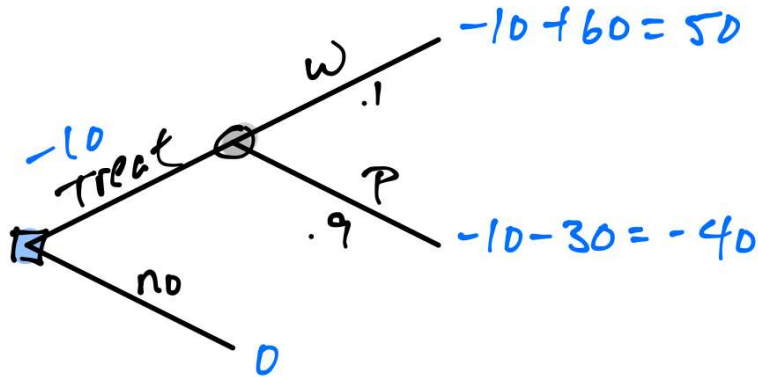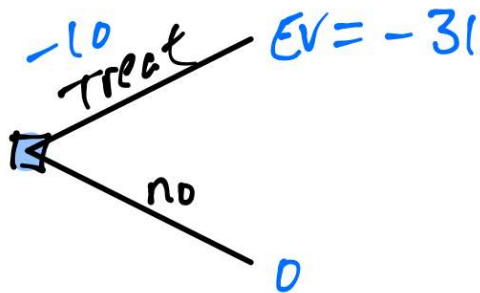
Part 1: Treat or do nothing?
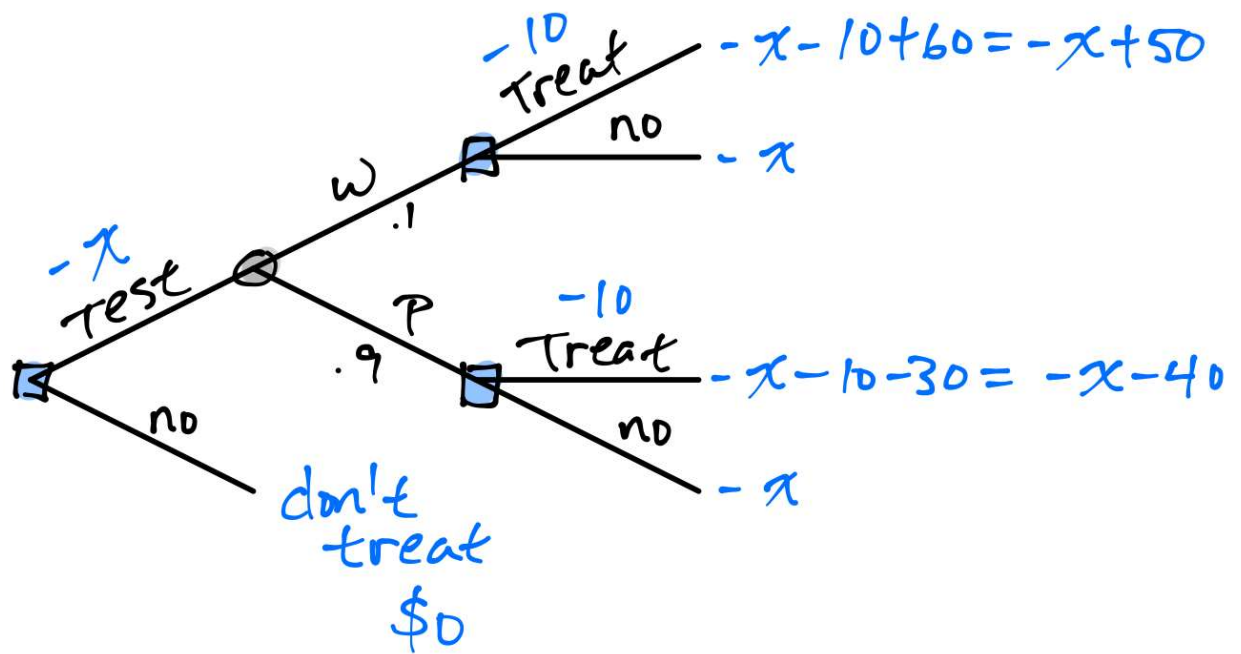


EV = 0.1*50 + 0.9*(-40) = -31



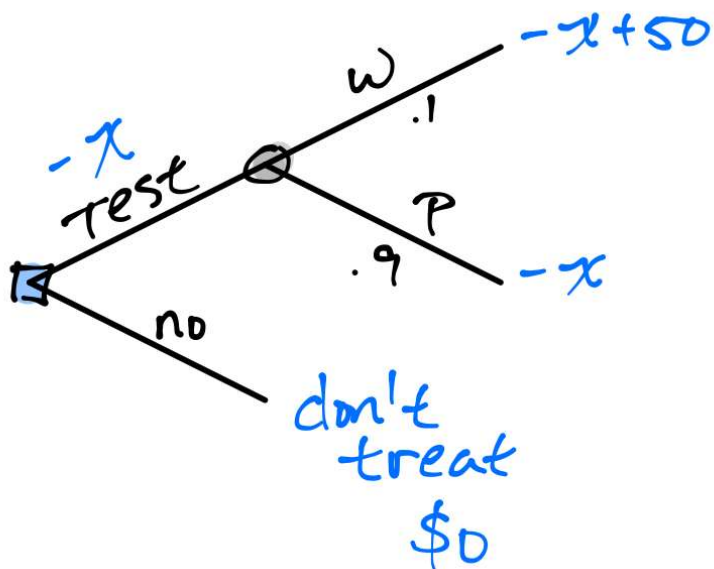Conclusion: would not treat

Part 2: Test or not?

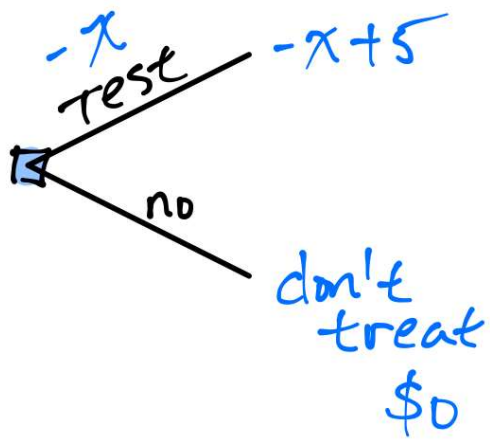Simplifying the right nodes:



EV = 0.1*(-X+50) + 0.9*(-X) = -X + 5

$$-x \quad \xrightarrow{\text{test}} \quad -x+5$$

no — don't treat $0

Conclusion: maximum WTP (X) is $5k