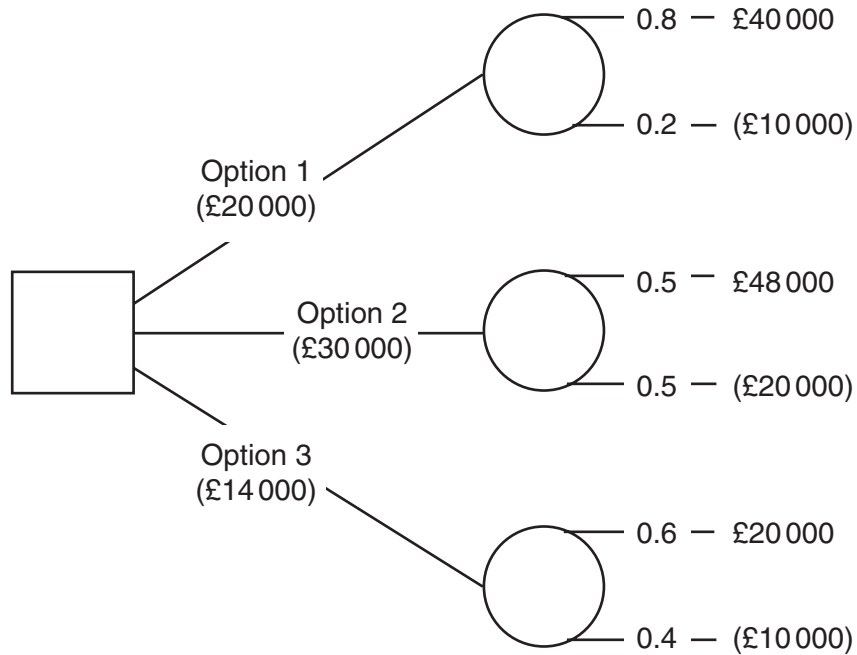


Using his new business textbook, Michael decided to construct a decision tree to evaluate the strategic options for his business.

- 3 (a) Complete the decision tree below to calculate the expected values of each of the **three options** identified by Michael. [9]



Show your working:

- (b) Identify the best option as recommended by the decision tree.

..... [1]

