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A Note on Deriving Rank-Dependent Utility Using Additive Joint Receipt R. Duncan Luce, Peter C. Fishburn

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This note generalizes the derivation of the rank-dependent utility model given in Luce and Fishburn (1991) to the case where the utility of the joint receipt, , of two sums of money need not be additive but rather is of the form . Assuming that U is conc ave for gains and U(0)=0, it is shown that this form together with the assumption yields the bounded exponential from for gains. Similar equations hold for losses. The mixed case is less well understood.