Violations of Branch Independence in Judgments of the Value of Gambles
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Branch independence is a weaker form of Savage's "sure thing" principle; it requires that judgment of gambles with a common outcome produced by the same probability-event should not reverse order when that common outcome is changed. Subjects judged the highest price that a buyer should pay for each of 168 gambles and the lowest price that a seller should accept. Violations of branch independence were observed; furthermore, the pattern of violations changed between viewpoints, consistent with the theory that point of view affects configural weights. In the buyer's task, the lowest outcome received the most weight, and the highest outcome received the least weight. For sellers, however, the middle outcome received the greatest weight. Violations of branch independence were opposite those predicted by the equations of cumulative prospect theory. In both viewpoints, the ration of weights of the middle outcome to the highest exceeded the ration of weights of the lowest outcome to middle.