

REFERENCES

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[The subtitle is “How Human Psychology Drives The Economy, and Why It Matters for Global Capitalism.”]

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[This paper brought made it clear that the expected utility theory advanced by von Neumann and Morgenstern, and Savage was not a descriptive theory.]

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{This is Bazerman on public sector organizations.]

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[This is easily the most readable history of the human mastery of risk.]

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[This is the best textbook on decision analysis.]

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[This book is an excellent parallel to the Bazerman and Moore book.]

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[This is easily the best logic-based book on decision theory by a major exponent of the modern account of subjective probability.]

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[This is Kahneman's intellectual autobiography.]

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[This is the first of the two "big" papers advancing prospect theory.]

Kahneman, Daniel and Amos Tversky. 2000. *Choices, Values, and Frames*, Cambridge University Press.

[This is a collection of all of the foundational papers in prospect theory.]

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[This is an elegant and clever analysis of how to bet in a heads-and-tails game.]

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[The subtitle is "Why the Public and the Experts Disagree on Environmental Issues."]

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[The subtitle is "The Science and Art of Collaborative Decision Making."]

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{This book presents the joint axiomatization of probability and utility, thereby providing a foundation for the subjective interpretation of probability theory.}

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[This is the best book on inducing change in individuals and organizations.]

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[This is the second of the two "big" papers advancing prospect theory.]

von Neumann, John and Oskar Morgenstern. 1944/1947. *Theory of Games and Economic Behavior*, Princeton University Press.

[This is the book wherein von Neumann and Morgenstern introduced modern game theory and, in passing, axiomatized utility theory.]

Wakker, Peter P. 2010. *Prospect Theory*, Cambridge University Press.

[This is the first textbook on prospect theory.]

John Nash (1928 – 2015) and Game Theory

Modern game theory begins in 1928 with von Neumann's proof of the minimax theorem. Modern game theory, along with modern decision theory, was formalized in 1944 in the von Neumann and Morgenstern book. The theory advanced there was confined to non-cooperative games (i.e., zero-sum games) and employed the minimax result of 1928 as the equilibrium concept. The contribution of John Nash was to extend game theory beyond non-cooperative games by providing an equilibrium concept for all games.

Some relevant books are as follows:

Kuhn, Harold W. and Sylvia Nasar. 2002. *The Essential John Nash*, Princeton University Press.

[This book is a collection of items, including original papers, photographs, and essays.]

Leonard, Robert. 2010. *Von Neumann, Morgenstern, and the Creation of Game Theory*, Cambridge University Press.

[This book is a serious academic history of both game theory and the collaboration of von Neumann and Morgenstern.]

Nasar, Sylvia. 1998. *A Beautiful Mind*, Simon & Schuster.

[This is a beautifully written nonacademic history of John Nash. It served as the foundation of the movie of the same name.]

Siegfried, Tom. 2006. *A Beautiful Math*, Joseph Henry Press.

[This book is an oddly interesting collection of chapters concerning the connection between game theory, the Nash equilibrium concept, and the search for a code of nature.]

von Neumann, John and Oskar Morgenstern. 1944/1947. *Theory of Games and Economic Behavior*, Princeton University Press.

[The distinction between the 1944 and 1947 editions is the inclusion, in the latter, of the proofs of the representation and uniqueness theorems of utility theory.]

Princeton University Press published a sixtieth anniversary edition of the von Neumann and Morgenstern book in 2007. The anniversary edition includes an introduction by Harold W. Kuhn, an afterword by Ariel Rubinstein, the original reviews by Herbert Simon and Paul Samuelson, et al., and Morgenstern's brief essay "The Collaboration Between Oskar Morgenstern and John von Neumann on the Theory of Games."