

Economic Theory, Decision Theory and Experimental Economics  
Seminar

## Savage in the Market

**Kota Saito**

California Institute of Technology

Tuesday, 3<sup>rd</sup> December 2013

12:30pm Room 3-E4-SR03 Via Röntgen 1 Milano

### Abstract

We develop a behavioral axiomatic characterization of Subjective Expected Utility (SEU) under risk aversion. Given is an individual agent's behavior in the market: assume a finite collection of asset purchases with corresponding prices. We show that such behavior satisfies a revealed preference axiom if and only if there exists a SEU model (a subjective probability over states and a concave utility function over money) that accounts for the given asset purchases.