Multiple Temptaion and Self-Control

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Abstract

This talk presents a study of the choice behavior in the presence of (multiple) temptation and self-control in the setting in which the decision-maker chooses a set of lotteries in period 2 and chooses a lottery from this set in period 2. The set of prizes is a compact metric space. Sets of properties on preferences are specified that are sufficient for the existence of convenient utility representations.

The main mathematical tools are the results on the possibility of extension of (strictly) monotonic functions defined on closed subsets of Euclidean spaces due to Nachbin and the author.

This study extends Gul-Pesendorfer theory of temptation and self-control to the infinite case.