Consumer Electronics Company A consumer electronics company is considering developing one of two products. In Exercises 7–10, use a decision tree to decide which model the company should develop. (See Examples 3 and 4.)

7. Laptop A: Cost of development: \$8 million

**Laptop B:** Cost of development: \$10 million



Projected Sales	
Probability	Net sales (in millions)
30%	\$18
50%	\$14
20%	\$8

8. MP3 Player A:

Cost of development: \$5 million

Projected Sales	
Probability	Net sales (in millions)
20%	\$10
60%	\$8
20%	\$2

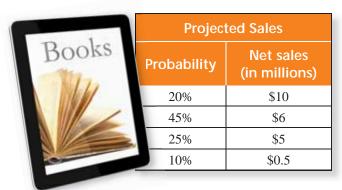
MP3 Player B:

Cost of development: \$3 million

Projected Sales	
Probability	Net sales (in millions)
40%	\$6
40%	\$5
20%	\$1



**9. E-reader A:** Cost of development: \$3 million



E-reader B: Cost of development: \$4 million

Projected Sales	
Probability	Net sales (in millions)
10%	\$12
40%	\$10
30%	\$4
20%	\$1

## 10. Camera A:

Cost of development: \$5 million

Projected Sales		
Probability	Net sales (in millions)	
10%	\$13	
30%	\$10	
20%	\$8	
25%	\$6	
15%	\$2	

Camera B:

Cost of development: \$3.5 million

Project	ed Sales	Ge .
Probability	Net sales (in millions)	
20%	\$10	
35%	\$7.5	12x
25%	\$5.5	
10%	\$3.5	
10%	\$0.5	