

# List of Tables

1	Distinction between Risk and Uncertainty	xxx
2.1	Bayesian Learning Process	28
2.2	Equivalence Table	32
3.1	Cashflow Statement of Business $j$	48
3.2	Cashflow Statement of the Business Sector in a Closed Economy with No Government	50
4.1	Various Time Scaling Alternatives	78
4.2	Comparison of Allais Versus Cagan	80
4.3	Limit Elasticities with Respect to $x$	83
4.4	Elasticities in the HRL Formulation	87
4.5	Psychological Meaning of the Coefficients $\alpha$ and $b$	89
4.6	Comparison of Cagan and Allais HRL Formulations	90
4.7	Calendar and Psychological Rates of Change: Comparative Distributions	93
6.1	Great Depression Joint Adjustment	121
6.2	Joint Tests of the HRL Formulation of the Demand for Money and of the Fundamental Equation of Monetary Dynamics on Four Data Sets	123
7.1	Zimbabwe Hyperinflation Example	133
7.2	Key Statistical Parameters of the Distribution of Monthly Inflation Rates and Forecasting Errors-Zimbabwe 2000–2008	138

7.3	Normality Test on Inflation Forecasting Errors	140
7.4	Estimates of the Inflation Tax	143
7.5	Dynamic Properties of HRL Formulation	151
8.1	Nominal Interest Rate Linear Regressions on $\chi$ and $z$	161
8.2	Nominal Interest Rate Linear Regressions on $\chi$ and $z$ , with $c_0 = 0$	162
8.3	German Yield Curve	165
8.4	Case of the German Hyperinflation	166
8.5	Yield on British Consols: Comparison of Regressions on $\chi$ and $z$ for $Z_0 = 120$ Percent	168
8.6	Yield on British Consols: Comparison of Regressions on $\chi$ and $z$ for $Z_0 = 78$ percent	168
9.1	Present Value of Excess Returns and of Perceived Excess Returns	186
9.2	Bivariate Linear Regression of Margin Debt to Broad Money Supply	188
9.3	Univariate Linear Regression of Margin Debt to Broad Money Supply	189
9.4	Granger Causality Tests on Margin Debt and the Present Value of Past Equity Returns	190
9.5	Estimated Values of Parameters of the Demand for Risky Assets Function	195
10.1	Questions 35 and 36 of the 1952 Questionnaire	209
10.2	Prospect Theory's Fourfold Pattern	215
10.3	Problems $P_1$ and $P_2$	216
10.4	Problems $P_3$ , $P_4$ , $P_7$ , and $P_8$ : Prospective Gains	217
10.5	Problems $P'_3$ , $P'_4$ , $P'_7$ , and $P'_8$ : Prospective Losses	217
10.6	Relationship between the Gain and the Relative Dispersion of Outcomes in a 50-50 Gamble	220
10.7	Identification of Psychologically Equivalent Intervals: Finetti's Answers	225
10.8	Approximation of Allais's Invariant Cardinal Utility Function with Two Straight Lines	230
10.9	Comparison between Kahneman and Tversky's Value Function and Allais's Cardinal Utility Function	231
10.10	Prospects Corresponding to Indices $B_{1/2}$ (Questions 90 to 98) and $B_{200}$ (Questions 70 to 78)	232

10.11	Dispersion of Returns and Respective Utilities on 3-month UST-bills, 20-year UST-bonds and S&P500	238
11.1	Perceived Parameters for Different Asset Markets	245
11.2	Length of Memory and Rate of Memory Decay by Population Group	258
11.3	Collective Rate of Memory Decay and Length of Collective Memory for Two Different Populations	259
11.4	Impact of Changes in HRL Structural Psychological Parameters	260
B.1	Relationship between Perceived Nominal Growth and Long-Term Nominal Interest Rates	276
C.1	Notation Equivalence Table	278
C.2	Variables in Malinvaud's Model	281
C.3	Roots Type for Various Possible Cases	321
E.1	Equivalence Table	339
F.1	Allais's Cardinal Utility Function	344

