

Reading Assignment 5: Money Pump Arguments

Assigned Reading Read the following sections from J. E. Gustafsson. “Money-pump arguments”. In: *Elements in Decision Theory and Philosophy* (2022)

- Pages 1-10. You can skip the final paragraph of page 10.
- Pages 24-29.
- The final paragraph of page 37, which continues as a bullet list on page 38.

You will also need to read some small section of pages 30-37 to answer the following questions.

Technical Requirements

Answer questions one, two, four, and six below. Together, your answers should not be longer than a single typed page. Remember to provide page numbers indicating which passages you are paraphrasing. For the remaining optional questions, please write down the page numbers on which the authors address the question.

1. The opening story of Gustafsson’s book contains an example of a money pump argument for a requirement akin to transitivity of strict preference.¹ What is a money pump argument, in general?
2. Gustafsson’s book assesses whether there are compelling money pump arguments for four of von Neumann and Morgenstern’s axioms. State the axioms. Which axioms does Gustafsson say are supported by compelling money pump arguments? How are the compelling money pump arguments related, logically speaking? Hint: To answer the final question, it might help to read footnotes.
3. Gustafsson discusses three “influential” objections to money pump arguments. We will discuss only the first objection in this course. In no more than a paragraph, summarize the first objection in your own words, and then explain how Gustafsson answers the objection when discussing three-step acyclicity. Note: This question is tough. Give it your best shot.
4. What are final outcomes and prospects? What is a “souring” of a prospect? What is a “sweetening”? Give your own example of a prospect and a souring and sweetening of it.
5. Give an example of two *final outcomes* X and Y between which you might have a preferential gap (i.e., X and Y should not be lotteries). Explain why your preferences
6. What is “a plausible distinguishing feature of preferential gaps” according to Gustafsson?
7. On bottom of page 37 (and continuing onto page 38), Gustafsson summarizes the assumptions made in his money pump argument for completeness. Pick *one* of the assumptions on page 38, and state it in your own words. These assumptions are discussed on pages 30-37.

¹Transitivity asserts that if one prefers A to B and B to C , then one prefers A to C . The opening argument doesn’t establish that preferences should be transitive. Rather, it shows that if one prefers A to B and B to C , then one should *not* prefer C to A . I don’t know if that requirement has a name.