1. Read the *Freemark Abbey Winery* case from the Harvard case material link (which can be found through the course Sakai site). In the second-to-last paragraph, I interpret the text as stating that if the storm does not strike, there is 40% chance of getting $3.50/bottle wholesale, a 40% chance of getting $3.00/bottle wholesale, and a 20% chance of getting $2.50/bottle wholesale.

   (a) Assume that if the storm strikes but there is no *botrytis* mold, you will sell the wine for $2.00/bottle wholesale. From an expected monetary value standpoint, should you harvest before the storm or not?

   (b) Assume conversely that if the storm strikes but there is no *botrytis* mold, you will sell grapes in bulk for the equivalent of $1.00/bottle wholesale. Does this assumption change your decision from part (a)?

   (c) Should Freemark Abbey apply the expected monetary value (EMV) criterion to this decision, or should they be more conservative? Answer in a *brief paragraph* supporting your answer.

2. Problem 1 on page 141 of the text.

3. Problem 6 on page 142 of the text.