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NEGOTIATIONS UNDER UNCERTAINTY

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Abstract. A one-step solution for two-person conflicts is examined when the break-down probabilities depend on the goodness of the offers and the relative power indices of the players. In the one-step solution each player maximizes his/her expected payoff. The uncertainty in the power index is characterized by its CDF and fuzzy membership function. Based on the monotonicity of solution simple algorithms are suggested to obtain the CDF and membership function of the solution in closed forms. A simple example illustrates the methodology.

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