## Decision Graphs / Influence Diagrams

## Preference Orderings

- A preference ordering $\succeq$ is a ranking of all possible states of affairs (worlds) $S$
- these could be outcomes of actions, truth assts, states in a search problem, etc.
$\circ s \succeq t$ : means that state $s$ is at least as good as $t$
- $s \succ t$ : means that state $s$ is strictly preferred to $t$
- We insist that $\succeq$ is
- reflexive: i.e., $\mathrm{s} \succeq \mathrm{s}$ for all states s
- transitive: i.e., if $\mathrm{s} \succeq \mathrm{t}$ and $\mathrm{t} \succeq \mathrm{w}$, then $\mathrm{s} \succeq \mathrm{w}$
- connected: for all states $\mathrm{s}, \mathrm{t}$, either $\mathrm{s} \succeq \mathrm{t}$ or $\mathrm{t} \succeq \mathrm{s}$


## Why Impose These Conditions?

- Structure of preference ordering imposes certain "rationality requirements" (it is a weak ordering)
- E.g., why transitivity?
- Suppose you (strictly) prefer coffee to tea, tea to OJ, OJ to coffee
- If you prefer X to Y , you will trade me Y plus $\$ 1$ for X
- I can construct a "money pump" and extract arbitrary amounts of money from you


## Utilities

- Rather than just ranking outcomes, we must quantify our degree of preference
- e.g., how much more important is chc than $\sim$ mess
- A utility function $U: S \rightarrow \mathbb{R}$ associates a realvalued utility with each outcome.
- $U(s)$ measures your degree of preference for s
- Note: $U$ induces a preference ordering $\succeq_{U}$ over S defined as: $\mathrm{s} \succeq_{U} \mathrm{t}$ iff $U(s) \geq$ $U(t)$
- obviously $\succeq_{U}$ will be reflexive, transitive, connected


## Expected Utility

- Under conditions of uncertainty, each decision d induces a distribution $P r_{d}$ over possible outcomes
- $\operatorname{Pr}_{d}(s)$ is probability of outcome s under decision d
- The expected utility of decision d is defined
- The principle of maximum expected utility (MEU) states that the optimal decision under conditions of uncertainty is that with the greatest expected utility.

$$
E U(d)=\sum_{s \in S} \operatorname{Pr}_{d}(s) U(s)
$$

## Decision Problems: Uncertainty

- A decision problem under uncertainty is:
- a set of decisions D
- a set of outcomes or states $S$
- an outcome function $\operatorname{Pr}: D \rightarrow \Delta(S)$
* $\Delta(S)$ is the set of distributions over S (e.g., Prd)
- a utility function U over S
- A solution to a decision problem under uncertainty is any $d^{*} \in D$ such that $E U\left(d^{*}\right) \succeq E U(d)$ for all $d \in D$
- Again, for single-shot problems, this is trivial


## Expected Utility: Notes

- Note that this viewpoint accounts for both:
- uncertainty in action outcomes
- uncertainty in state of knowledge
- any combination of the two


Stochastic actions


Uncertain knowledge

## Expected Utility: Notes

- Why MEU? Where do utilities come from?
- underlying foundations of utility theory tightly couple utility with action/choice
- a utility function can be determined by asking someone about their preferences for actions in specific scenarios (or "lotteries" over outcomes)
- Utility functions needn't be unique
o if I multiply U by a positive constant, all decisions have same relative utility
- if I add a constant to U, same thing
- $U$ is unique up to positive affine transformation


## So What are the Complications?

- Outcome space is large
- like all of our problems, states spaces can be huge
- don't want to spell out distributions like $P r_{d}$ explicitly
- Solution: Bayes nets (or related: influence diagrams)
- Decision space is large
- usually our decisions are not one-shot actions
- rather they involve sequential choices (like plans)
- if we treat each plan as a distinct decision, decision space is too large to handle directly
- Soln: use dynamic programming methods to construct optimal plans (actually generalizations of plans, called policies.. . like in game trees)


## So What are the Complications?

- Decision networks (more commonly known as influence diagrams) provide a way of representing sequential decision problems
- basic idea: represent the variables in the problem as you would in a BN
- add decision variables - variables that you "control"
- add utility variables - how good different states are


## Sample Decision Network



## Decision Networks: Chance Nodes

- Chance nodes
- random variables, denoted by circles
- as in a BN, probabilistic dependence on parents



## Decision Networks: Decision Nodes

- Decision nodes
- variables decision maker sets, denoted by squares
- parents reflect information available at time decision is to be made
- In example decision node: the actual values of Ch and Fev will be observed before the decision to take test must be made
- agent can make different decisions for each instantiation of parents (i.e., policies)


$$
\text { BT } \epsilon\{b t, \sim b t\}
$$

## Decision Networks: Decision Nodes

- Value node
- specifies utility of a state, denoted by a diamond
- utility depends only on state of parents of value node
- generally: only one value node in a decision network
- Utility depends only on disease and drug


U(fludrug, flu) $=20$
$U($ fludrug, mal $)=-300$
$U($ fludrug, none $)=-5$
$U($ maldrug, flu $)=-30$
$U($ maldrug, mal$)=10$
$U$ (maldrug, none) $=-20$
$U($ no drug, flu $)=-10$
$U($ no drug, mal $)=-285$
$U($ no drug, none $)=30$

## Decision Networks: Assumptions

- Decision nodes are totally ordered
- decision variables $D_{1}, D_{2}, \ldots, D_{n}$
- decisions are made in sequence
- e.g., BloodTst (yes,no) decided before Drug (fd,md,no)
- No-forgetting property
- any information available when decision $D_{i}$ is made is available when decision $D_{j}$ is made (for $i<j$ )
- thus all parents of $D_{i}$ are parents of $D_{j}$


Dashed arcs ensure the no-forgetting property

## Policies

- Let $\operatorname{Par}\left(D_{i}\right)$ be the parents of decision node $D_{i}$
- $\operatorname{Dom}(\operatorname{Par}(D i))$ is the set of assignments to parents
- A policy $\delta$ is a set of mappings $\delta_{i}$, one for each decision node $D_{i}$
- $\delta_{i}: \operatorname{Dom}\left(\operatorname{Par}\left(D_{i}\right)\right) \rightarrow\left(D_{i}\right)$
- $\delta_{i}$ associates a decision with each parent asst for $D_{i}$
- For example, a policy for BT might be:

$$
\begin{aligned}
\delta_{B T}(c, f) & =b t \\
\delta_{B T}(c, \sim f) & =\sim b t \\
\delta_{B T}(\sim c, f) & =b t \\
\delta_{B T}(\sim c, \sim f) & =\sim b t
\end{aligned}
$$



## Value of a Policy

- Value of a policy $\delta$ is the expected utility given that decision nodes are executed according to $\delta$
- Given associates $\boldsymbol{x}$ to the set $\boldsymbol{X}$ of all chance variables, let $\delta(\boldsymbol{x})$ denote the asst to decision variables dictated by $\delta$
- e.g., asst to $D_{1}$ determined by it's parents' asst in $\boldsymbol{x}$
- e.g., asst to $D_{2}$ determined by it's parents' asst in $\boldsymbol{x}$ along with whatever was assigned to D1
o etc.
- Value of $\delta$ :

$$
E U(\delta)=\sum_{\boldsymbol{X}} P(\boldsymbol{X}, \delta(\boldsymbol{X}) U(\boldsymbol{X}, \delta(\boldsymbol{X}))
$$

## Optimal Policies

- An optimal policy is a policy $\delta^{*}$ such that $E U\left(\delta^{*}\right) \geq E U(\delta)$ for all policies $\delta$
- We can use the dynamic programming principle yet again to avoid enumerating all policies
- We can also use the structure of the decision network to use variable elimination to aid in the computation


## Computing the Best Policy

- We can work backwards as follows
- First compute optimal policy for Drug (last dec'n)
- for each asst to parents (C,F,BT,TR) and for each decision value ( $\mathrm{D}=\mathrm{md}, \mathrm{fd}, \mathrm{none}$ ), compute the expected value of choosing that value of D
- set policy choice for each value of parents to be the value of $D$ that has max value
- eg: $\delta_{D}(c, f, b t, p o s)=m d$



## Computing the Best Policy

- Next compute policy for BT given policy $\delta_{D}(C, F, B T, T R)$ just determined for Drug
- since $\delta_{D}(C, F, B T, T R)$ is fixed, we can treat Drug as a normal random variable with deterministic probabilities
- i.e., for any instantiation of parents, value of Drug is fixed by policy $\delta_{D}$
- this means we can solve for optimal policy for BT just as before
- only uninstantiated vars are random vars (once we fix its parents)


## Computing the Best Policy

- How do we compute these expected values?
- suppose we have asst $<c, f, b t$, pos $>$ to parents of Drug
- we want to compute EU of deciding to set Drug $=m d$
- we can run variable elimination!
- Treat $C, F, B T, T R, D r$ as evidence
- this reduces factors (e.g., $U$ restricted to $b t, m d$ : depends on $D i s$ )
- eliminate remaining variables (e.g., only Disease left)
- left with factor: $U()=\sum_{D i s} P(D i s \mid c, f, b t, p o s, m d) U(D i s)$
- We now know EU of doing $D r=m d$ when $c, f, b t, p o s$ true
- Can do same for $f d$, no to decide which is best



## Computing Expected Utilities

- The preceding illustrates a general phenomenon
- computing expected utilities with BNs is quite easy
- utility nodes are just factors that can be dealt with using variable elimination

$$
\begin{aligned}
E U & =\sum_{A, B, C} P(A, B, C) U(B, C) \\
& =\sum_{A, B, C} P(C \mid B) P(B \mid A) P(A) U(B, C)
\end{aligned}
$$

- Just eliminate variables in the usual way



## Optimizing Policies: Key Points

- If a decision node D has no decisions that follow it, we can find its policy by instantiating each of its parents and computing the expected utility of each decision for each parent instantiation
- no-forgetting means that all other decisions are instantiated (they must be parents)
- its easy to compute the expected utility using VE
- the number of computations is quite large: we run expected utility calculations (VE) for each parent instantiation together with each possible decision D might allow
- policy: choose max decision for each parent instant'n


## Optimizing Policies: Key Points

- When a decision D node is optimized, it can be treated as a random variable
- for each instantiation of its parents we now know what value the decision should take
- just treat policy as a new CPT: for a given parent instantiation $\boldsymbol{x}$, D gets $\delta(\boldsymbol{x})$ with probability 1 (all other decisions get probability zero)
- If we optimize from last decision to first, at each point we can optimize a specific decision by (a bunch of) simple VE calculations
- it's successor decisions (optimized) are just normal nodes in the BNs (with CPTs)


## Decision Network Notes

- Decision networks commonly used by decision analysts to help structure decision problems
- Much work put into computationally effective techniques to solve these
- common trick: replace the decision nodes with random variables at outset and solve a plain Bayes net (a subtle but useful transformation)
- Complexity much greater than BN inference
- we need to solve a number of BN inference problems
- one BN problem for each setting of decision node parents and decision node value

DBN-Decision Nets for Planning


## Decision Network Notes

- In example on previous slide:
- we assume the state (of the variables at any stage) is fully observable * hence all time $t$ vars point to time $t$ decision
- this means the state at time t d-separates the decision at time $\mathrm{t}-1$ from the decision at time t-2
- so we ignore "no-forgetting" arcs between decisions
* once you know the state at time t , what you did at time $\mathrm{t}-1$ to get there is irrelevant to the decision at time $\mathrm{t}-1$
- If the state were not fully observable, we could not ignore the "no-forgetting" arcs


## A Detailed Decision Net Example

- Setting: you want to buy a used car, but there's a good chance it is a "lemon" (i.e., prone to breakdown). Before deciding to buy it, you can take it to a mechanic for inspection. S/he will give you a report on the car, labelling it either "good" or "bad". A good report is positively correlated with the car being sound, while a bad report is positively correlated with the car being a lemon.
- The report costs $\$ 50$ however. So you could risk it, and buy the car without the report.
- Owning a sound car is better than having no car, which is better than owning a lemon.


## Car Buyer's Network



## Evaluate Last Decision: Buy (1)

- $E U(B \mid I, R)=\sum_{L} P(L \mid I, R, B) U(L, B)$
- $I=i, R=g$ :

$$
\begin{aligned}
E U(\text { buy }) & =P(l \mid i, g) U(l, \text { buy })+P(\sim l \mid i, g) U(\sim l, \text { buy })-50 \\
& =.18 \cdot-600+.82 \cdot 1000-50=662 \\
E U(\sim \text { buy }) & =P(l \mid i, g) U(l, \sim b u y)+P(\sim l \mid i, g) U(\sim l, \sim b u y)-50 \\
& =-300-50=-350(-300 \text { indep. of lemon })
\end{aligned}
$$

- So optimal $\delta_{B u y}(i, g)=b u y$


## Evaluate Last Decision: Buy (2)

- $I=i, R=b$ :

$$
\begin{aligned}
E U(\text { buy }) & =P(l \mid i, b) U(l, \text { buy })+P(\sim l \mid i, b) U(\sim l, \text { buy })-50 \\
& =.89 \cdot-600+.11 \cdot 1000-50=-474 \\
E U(\sim \text { buy }) & =P(l \mid i, b) U(l, \sim \text { buy })+P(\sim l \mid i, b) U(\sim l, \sim \text { buy })-50 \\
& =-300-50=-350(-300 \text { indep. of lemon })
\end{aligned}
$$

- So optimal $\delta_{B u y}(i, b)=\sim$ buy


## Evaluate Last Decision: Buy (3)

- $I=\sim i, R=g$ (note: no inspection cost subtracted):

$$
\begin{aligned}
E U(\text { buy }) & =P(l \mid \sim i, g) U(l, \text { buy })+P(\sim l \mid \sim i, g) U(\sim l, \text { buy }) \\
& =.5 \cdot-600+.5 \cdot 1000=200 \\
E U(\sim \text { buy }) & =P(l \mid \sim i, g) U(l, \sim \text { buy })+P(\sim l \mid \sim i, g) U(\sim l, \sim b u y)-50 \\
& =-300-50=-350(-300 \text { indep. of lemon })
\end{aligned}
$$

- So optimal $\delta_{B u y}(\sim i, g)=\sim$ buy
- So optimal policy for Buy is:
- $\delta_{B u y}(i, g)=b u y ; \delta_{B u y}(i, b)=\sim b u y ; \delta_{B u y}(\sim i, n)=b u y$
- Note: we don't bother computing policy for $(i, \sim n)$, $(\sim i, g)$, or $(\sim i, b)$, since these occur with probability 0


## Evaluate First Decision: Inspect

- $E U(I)=\sum_{L, R} P(L, R \mid I) U\left(L, \boldsymbol{\delta}_{\boldsymbol{B u} \boldsymbol{y}}(\boldsymbol{I}, \boldsymbol{R})\right)$
- where $P(R, L \mid I)=P(R \mid L, I) P(L \mid I)$

$$
\begin{aligned}
E U(i) & =.1 \cdot-600+.4 \cdot-300+.45 \cdot 1000+.05 \cdot-300-50 \\
& =237.5-50=187.5 \\
E U(\sim i) & =P(l \mid \sim i, n) U(l, \text { buy })+P(\sim l \mid \sim i, n) U(\sim l, \text { buy }) \\
& =.5 \cdot-600+.5 \cdot 1000=200
\end{aligned}
$$

- So optimal $\delta_{\text {Inspect }}(\sim i)=$ buy

|  | $P(R, L \mid I)$ | $\boldsymbol{\delta}_{\boldsymbol{B u y}}$ | $U\left(L, \boldsymbol{\delta}_{\boldsymbol{B u y}}\right)$ |
| :--- | :--- | :--- | :--- |
| $g, l$ | 0.1 | buy | $-600-50=-650$ |
| $g, \sim l$ | 0.45 | buy | $1000-50=950$ |
| $b, l$ | 0.4 | $\sim$ buy | $-300-50=-350$ |
| $b, \sim l$ | 0.05 | $\sim$ buy | $-300-50=-350$ |

## Value of Information

- So optimal policy is: don't inspect, buy the car
- $\mathrm{EU}=200$
- Notice that the EU of inspecting the car, then buying it iff you get a good report, is 237.5 less the cost of the inspection (50). So inspection not worth the improvement in EU.
- But suppose inspection cost $\$ 25$ : then it would be worth it $(E U=237.5-25=$ $212.5>E U(\sim i))$
- The expected value of information associated with inspection is 37.5 (it improves expected utility by this amount ignoring cost of inspection). How? Gives opportunity to change decision ( $\sim$ buy if bad).
- You should be willing to pay up to $\$ 37.5$ for the report

Slide of this section were taken from CSC 384 Lecture Slides ©2002-2003, C. Boutilier and P. Poupart

## Influence Diagrams

Up to now, we used Bayesian networks for

- modeling (in)dependence relations between random/chance variables
- quantifying the strength of these relations by assigning (conditional) probabilities
- update these probabilities after evidence observations

However, in practical, this is only a part of a more complex task: decision making under uncertainty.

If a set of actions solves a problem, we have to choose one particular action based on predefined criteria, e. g. costs and/or gains.

Therefore, we will now augment the current framework with special nodes that serve these purposes.

## Example: Observations and Actions


$T \ldots$ Temperature
A....Aspirine

- Rectangular nodes: intervening actions/decisions
- Triangular nodes: test actions/observations
- Observations may change probabilities of nodes that are causes:

Observing $T=37^{\circ} \mathrm{C}$ decreases probability of Fever and Flu (and, of course, Sleepy).

- The impact of intervening actions can only follow the direction of the (causal) edges:

Taking Aspirine $(A)$ decreases the probability of Fever and Sleepy and may result in an alike observation for $T$. However, it cannot change the state for Flu since Aspirine only eases the pain and does not kill viruses.

## Example: Utilities

## Mildew Fungus Infestation (dt. Mehltau-Befall)

Before the harvest, a farmer checks the state of his crop and decides whether to apply a fungi treatment or not.

- Q - Quality of the crop
- M - Mildew infestation severity
- H - Harvest quality
- A - Action to be taken
- $\mathrm{M}^{*}-\quad$ Mildew infestation after action A
- U - Utility function of the harvest (i.e. the benefit)
- C - Utility functon of the action (i.e. the treatment costs)
- edges leading to chance nodes
- edges leading to decision nodes
- edges leading to utility nodes


## Example: Utilities (2)



- Diamond-shaped nodes: utility functions (costs/benefits)
- Given the quality of the crops and the mildew state, which action maximizes the benefit?
- $C(\mathrm{~A})<0$
- $U(\mathrm{H}) \geq 0$
- Expected total utility of action $\mathrm{A}=a$ :

$$
\mathrm{E}(U(a \mid q, m))=C(a)+\sum_{h} U(h) \cdot P(h \mid a, q, m)
$$

## Single-Action Models

A single-action model consists of

- a Bayesian network representing the chance nodes
- one decision (action) node
- a set of utility nodes
- decision nodes can affect chance and utility nodes
- utility nodes can be affected by chance and decision nodes



## Single-Action Models (2)

Given $n$ utility nodes $U_{1}, \ldots, U_{n}$ and assuming they all depend on only one respective chance node $X_{i}$, the total expected utility given a decision $D=d$ and (chance node) evidence $e$ is defined as:
vskip-2mm

$$
\mathrm{E}(U(d \mid e))=\sum_{i=1}^{n} \sum_{x \in \operatorname{dom}\left(X_{i}\right)} U_{1}\left(x_{1}\right) \cdot P\left(x_{1} \mid d, e\right)
$$

The optimal decision $d^{*}$ is then chosen:

$$
d^{*}=\underset{d \in \operatorname{dom}(D)}{\arg \max } \mathrm{E}(U(d \mid e))
$$

## Influence Diagrams

An influence diagram consists of a directed acyclic graph over chance nodes, decision nodes and utility nodes that obey the following structural properties:

- there is a directed path comprising all decision nodes
- utility nodes cannot have children
- decision and chance nodes are discrete
- utility nodes do not have states
- chance nodes are assigned potential tables given their parents (including decision nodes)
- each utility node $U$ gets assigned a real-valued utility function over its parents

$$
U: \underset{X \in \operatorname{parents}(U)}{X} \operatorname{dom}(X) \rightarrow \mathbb{R}
$$

## Influence Diagrams (2)

- Links into decision nodes carry no quantitative information, they only introduce a temporal ordering.
- The required path between the decision nodes induces a temporal partition of the chance nodes:
If there are $n$ decision nodes, then for $1 \leq i<n$ the set $I_{i}$ represents all chance nodes that have to be observed after decision $D_{i}$ but before decision $D_{i+1}$.
- $I_{0}$ is the set of chance nodes to be observed before any decision.
- $I_{n}$ is the set of chance nodes that are not observed.


## Influence Diagrams (3)

(A)
(B)


## Influence Diagrams (3)

(A)

(B)
(E)
(D)
$D_{1}$
(F)
(I)
(L)

(J)
(H)

$\left\langle V_{1}\right\rangle$
$D_{3}$


## Influence Diagrams (3)



## Influence Diagrams (3)



## Influence Diagrams (3)



## Influence Diagrams (3)



## d-Separation in Influence Diagrams

To be able to use the d-separation, we need to preprocess the graphical structure of an influence diagram as follows:

- remove all utility nodes (and the edges towards them)
- remove edges that point to decision nodes


For example: $\quad C \Perp T \mid B \quad$ or $\quad\{A, T\} \Perp D_{2} \mid \emptyset$.

## Chain Rule

The semantics of an influence diagram disallow some probabilities:

- $P(D)$ for a decision node $D$ has no meaning
- $P(A \mid D)$ has no meaning unless a decision $d \in \operatorname{dom}(D)$ has been chosen

Given an influence diagram $G$ with $U_{C}$ being the set of chance nodes and $U_{D}$ being the set of decision nodes, we can factorize $P$ as follows:

$$
P\left(U_{C} \mid U_{D}\right)=\prod_{X \in U_{C}} P(X \mid \operatorname{parents}(X))
$$

## Solutions to Influence Diagrams

- Given: an influence diagram
- Desired: a strategy which decision(s) to make


## Policy

A policy for decision $D_{i}$ is a mapping $\sigma_{i}$, which for any configuration of the past of $D_{i}$ yields a decision for $D_{i}$, i. e.

$$
\sigma_{i}\left(I_{0}, D_{1}, I_{1}, \ldots, D_{i-1}, I_{i-1}\right) \in \operatorname{dom}\left(D_{i}\right)
$$

## Strategy

A strategy for an influence diagram is a set of policies, one for each decision node.

## Solution

A solution to an influence diagram is a strategy maximizing the expected utility.

## Solutions to Influence Diagrams (2)

Assume, we are given an influence diagram $G$ over $U=U_{C} \cup U_{D}$ and $U_{V}$.

- $U_{C} \ldots$ set of chance nodes
- $U_{D} \ldots$ set of decision nodes and
- $U_{V}=\left\{V_{i}\right\} \ldots$ set of utility nodes

Further, we know the following temporal order:

$$
I_{0} \prec D_{1} \prec I_{1} \prec \cdots \prec D_{n} \prec I_{n}
$$

The total utility $V$ be defined as the sum of all utility nodes: $V=\sum_{i} V_{i}$

## Solutions to Influence Diagrams (3)

- An optimal policy for $D_{i}$ is

$$
\sigma_{i}\left(I_{0}, D_{1}, \ldots, I_{i-1}\right)=\arg \max _{d_{i}} \sum_{I_{i}} \max _{d_{i+1}} \cdots \max _{d_{n}} \sum_{I_{n}} P\left(U_{C} \mid U_{D}\right) \cdot V
$$

where $d_{x} \in \operatorname{dom}\left(D_{x}\right)$.

- The expected utility from following policy $\sigma_{i}$ (and acting optimally in the future) is

$$
\rho_{i}\left(I_{0}, D_{1}, \ldots, I_{i-1}\right)=\frac{\max _{d_{i}} \sum_{I_{i}} \max _{d_{i+1}} \cdots \max _{d_{n}} \sum_{I_{n}} P\left(U_{C} \mid U_{D}\right) \cdot V}{P\left(I_{0}, \ldots, I_{i-1} \mid D_{1}, \ldots, D_{i-1}\right)}
$$

where $d_{x} \in \operatorname{dom}\left(D_{x}\right)$.

## Solutions to Influence Diagrams (4)

- An optimal strategy yields the maximum expected utility of

$$
\operatorname{MEU}(G)=\sum_{I_{0}} \max _{d_{1}} \sum_{I_{1}} \max _{d_{2}} \cdots \max _{d_{n}} \sum_{I_{n}} P\left(U_{C} \mid U_{D}\right) \cdot V
$$

- $\sum_{I_{i}}$ means (sum-)marginalizing over all nodes in $I_{i}$
- max means taking the maximum over all $d_{i} \in \operatorname{dom}\left(D_{i}\right)$ and thus (max-)marginalizing over $D_{i}$
- Everytime $I_{i}$ is marginalized out, the result is used to determine a policy for $D_{i}$.
- Marginalization in reverse temporal order
- $\Rightarrow$ use simplification techniques from the Bayesian network realm to simplify the joint probability distribution $P\left(U_{C} \mid U_{D}\right)$


## Example

| $P\left(A \mid D_{1}\right)$ | $d_{1}^{(1)}$ | $d_{1}^{(2)}$ |
| :---: | :---: | :---: |
| y | 0.2 | 0.8 |
| n | 0.8 | 0.2 |


| $V_{2}(C)$ |  |
| :---: | :---: |
| y | 10 |
| n | 0 | | $V_{1}\left(A, D_{2}\right)$ | $d_{2}^{(1)}$ | $d_{2}^{(2)}$ |
| :---: | :---: | :---: |
| y | 3 | 0 |
| n | 0 | 2 |

Utility functions

| $P(B \mid A)$ | y | n |
| :---: | :---: | :---: |
| y | 0.8 | 0.2 |
| n | 0.2 | 0.8 |


| $P(T \mid A, B)$ | $\mathrm{y}, \mathrm{y}$ | $\mathrm{y}, \mathrm{n}$ | $\mathrm{n}, \mathrm{y}$ | $\mathrm{n}, \mathrm{n}$ |
| :---: | :---: | :---: | :---: | :---: |
| y | 0.9 | 0.5 | 0.5 | 0.1 |
| n | 0.1 | 0.5 | 0.5 | 0.9 |


| $P\left(C \mid B, D_{2}\right)$ | $\mathrm{y}, d_{2}^{(1)}$ | $\mathrm{y}, d_{2}^{(2)}$ | $\mathrm{n}, d_{2}^{(1)}$ | $\mathrm{n}, d_{2}^{(2)}$ |
| :---: | :---: | :---: | :---: | :---: |
| y | 0.9 | 0.5 | 0.5 | 0.9 |
| n | 0.1 | 0.5 | 0.5 | 0.1 |

Chance potentials

## Example (2)

For $D_{2}$ we can read from the graph:

$$
I_{0}=\emptyset \quad I_{1}=\{T\} \quad I_{2}=\{A, B, C\}
$$

Thus, $\sigma_{2}$ can be solved to the following strategy:

| $\sigma_{2}\left(\emptyset, D_{1},\{T\}\right)$ | $d_{1}^{(1)}$ | $d_{1}^{(2)}$ |
| :---: | :---: | :---: |
| y | $d_{2}^{(1)}$ | $d_{2}^{(1)}$ |
| n | $d_{2}^{(2)}$ | $d_{2}^{(2)}$ |


| $\rho_{2}\left(\emptyset, D_{1},\{T\}\right)$ | $d_{1}^{(1)}$ | $d_{1}^{(2)}$ |
| :---: | :---: | :---: |
| y | 9.51 | 11.29 |
| n | 10.34 | 8.97 |

Finally, $\sigma_{1}=d_{1}^{(2)}$ and $\operatorname{MEU}(G)=10.58$.

