DRIVE: Decision Response InVentory Exercise
(from D.C. Skinner’s *Introduction to Decision Analysis*,

Introduction

This exercise is designed to provide you with feedback on your risk-taking and analytical preferences.

Section 1: Ranking Descriptive Words

In Section 1 there are thirteen rows of four words each. Think of a recent or particularly difficult situation where you made a decision. Keeping this decision in mind, reverse rank order each of the four words across the page:

Use 4 to rank the word which most closely describes how you made the decision, and use 1 to rank the word which is furthest from the way you made the decision.

You may find it hard to distinguish some words from others, but give each word in a row a different ranking number.

1. ____Intuitive ____Shrewd ____Questioning ____Risk-taker
2. ____Doing ____Observing ____Thinking ____Active
3. ____Acceptance ____Reservation ____Evaluation ____Venturesome
4. ____Impartial ____Reasonable ____Circumspect ____Excessive
5. ____Thoughtful ____Inquisitive ____Enlightened ____Incoherent
6. ____Emotional ____Receptive ____Analytical ____Productive
7. ____Slight ____Rational ____Discerning ____Daring
8. ____Reactive ____Reflective ____Conceptual ____Invasive
9. ____Involved ____Careful ____Stewardly ____Bold
10. ____Feeling ____Cautious ____Pondering ____Prodigal
11. ____Inconsistent ____Sensible ____Pragmatic ____Casual
12. ____Reserved ____Speculative ____Responsible ____Irrational
13. ____Ignorant ____Wise ____Conservative ____Intense

Your name: _________________________________________

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Section 2: Ranking Alternatives

In Section 2, read each case and then rank the four alternative actions, using the same reverse ranking system: use 4 for the action you’d most prefer and use 1 for the action you’d least prefer.

Case 1: You are at a casino and have just won $1,000 at the blackjack table. You now have an opportunity to double your money, or to quit and take home your winnings. If you take the opportunity, the odds of winning are 55%.
   a. ____ Definitely quit and take the money.
   b. ____ Maybe take the bet (some hesitation).
   c. ____ Maybe quit (some hesitation).
   d. ____ Definitely take the bet.

Case 2: You have just paid $10 for one of these opportunities. Which deal do you prefer?
   a. ____ 50% chance of making $40, 50% chance of making $0
   b. ____ 50% chance of making $100, 50% chance of losing $60
   c. ____ 20% chance of losing $100, 80% chance of making $50
   d. ____ 10% chance of making $110, 90% chance of making $10

Case 3: You have $10,000 to invest. You can invest in a certificate of deposit (CD) at a bank for a guaranteed 5% return, or a mutual fund with a 5-year average of 15% (range: –10% to +35%), or in a common stock with a 3-year average of 30% (range: –30% to +75%). The investment is only for a year and is not needed for daily maintenance.
   a. ____ Not invest: all are too risky
   b. ____ Invest in mutual funds
   c. ____ Invest in a CD
   d. ____ Invest in shares

Case 4: You are the product manager for an innovative new product that your company has just finished market-testing. You have a choice of going after market leadership or average sales. If you go after market leadership, sales have a 60% chance of being $5,000,000 and a 40% chance of being $1,000,000. If you choose average sales, you are certain to make $2,000,000. What do you do?
   a. ____ Commission a market study
   b. ____ Go after market leadership
   c. ____ Go after average sales
   d. ____ Toss a coin