Instructions: Do the reading, then go through the questions, think about them, referring back to the reading when necessary, and write short answers (ranging between 1-2 sentences and couple paragraphs) for each. (If you feel you addressed one question in an answer to another, feel free just to refer to that.) Turn in your answers on the day the reading is due. You may discuss these questions with others but all answers should be written in your words (though you may use occasional quotes).

To be turned in:

1. What are your overall thoughts?

2. In Silver's Bayesland allegory, he says: *In Bayesland, you* must *make one of these two choices: come to a consensus or bet.* Assuming you don't come to a consensus, explain in a precise way how such bets might be made in the case of a disagreement.

3. Can you distinguish which graphs in Figure 11-4 are Dow Jones graphs? If so, what is the difference?

4. We've encountered the Dunning–Kruger effect on the previous worksheet. What is its role in the arena of investment trading?

5. Do you believe in the efficient market hypothesis? Why or why not?

6. Do you believe that some investors can beat the market in the long-term? Why or why not?

Not be turned in: (you don't need to write up, but think about if you have time, and we may discuss in class)

7. Do you think Silver's quarrels with the Rothschild's paper are reasonable?

8. Do you know what index funds are? Do you think they are a better investment than traditional stocks or mutual funds? If so, should everyone only invest in index funds?