EPFL ENAC TRANSP-OR **Prof. M. Bierlaire**

Mathematical Modeling of Behavior Fall 2015/2016



EXERCISE SESSION 8: QUESTIONS FOR STUDENTS

Try to answer the following question by consulting the textbook and the lecture slides:

Let $U_{n,m} = \beta_m + \alpha_m \operatorname{cost}_{n,m} + \gamma_m \operatorname{time}_{n,m}^{\lambda_m} + \varepsilon_{n,m}, \forall n, m$. Assume that the choice model is a logit. What is the point elasticity of the probability of choosing m for individual n with respect to (i) $\operatorname{cost}_{n,m}$ and (ii) $\operatorname{cost}_{n,k}, k \neq m$?

mbi/ ek/ afa/ mdl

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