

Rock Concert



A promoter for an outdoor rock concert will lose \$4000 in expenses if the event is cancelled because of rain or nonappearance of the performers. If the event is held, he will make a profit of \$3000. The chance of a cancellation is estimated to be 18%.

1. What is the promoter's expected value of one rock concert?
2. What is the promoter's expected value of 20 rock concerts?