3-17 Kenneth Brown is the principal owner of Brown Oil, Inc. After quitting his university teaching job, Ken has been able to increase his annual salary by a factor of over 100. At the present time, Ken is forced to consider purchasing some more equipment for Brown Oil because of competition. His alternatives are shown in the following table:

EQUIPMENT	FAVORABLE MARKET ($)	UNFAVORABLE MARKET A ($)
Sub 100	300,000	-200,000
Oiler J	250,000	-100,000
Texan	75,000	-18,000

For example, if Ken purchases a Sub 100 and if there is a favorable market, he will realize a profit of $300,000. On the other hand, if the market is unfavorable, Ken will suffer a loss of $200,000. But Ken has always been a very optimistic decision maker.

What type of decision is Ken facing?
What decision criterion should he use?
What alternative is best?