

Example for Stochastic Dominance

$X \in [0, 2000]$: your monthly wage

Get a job at the Medical centre: $\Pr_A [X > 1000] = 0.7$

$$1 - \Pr_A [X \leq 1000] = 0.7$$

$$\Pr_A [X \leq 1000] = 0.3$$

Get a job at Student Union Shop: $\Pr_B [X > 1000] = 0.4$

$$1 - \Pr_B [X \leq 1000] = 0.4$$

$$\Pr_B [X \leq 1000] = 0.6$$

If this happens over the range then getting a job at the medical centre first order stochastically dominates getting a job at the student union shop