

How to gamble if you must, revisited

Larry Shepp,

Department of Statistics, Rutgers University.

ABSTRACT

Yehuda Vardi proposed a casino in which all odds are available but the expected return on a one shekel bet does not exceed a {\em negative} value, c . He asked how to maximize the probability to reach a given fortune before going broke, starting from one of fraction, f . Many neat results follow from his neat question, including the upper bound that this probability is always less than $1 - (1 - f)^{1+c}$ for any betting scheme whatever, and this is the best possible such bound.