Puzzle

Group Meeting

January 16, 2017

You have 52 playing cards, which contain 26 red and 26 black. You play games with the following rules.

- You draw cards one by one.

- The payoff rule is that a red card pays you a dollar and a black one fines you a dollar.

- You can stop any time you want.

- Cards are not returned to the deck after being drawn.

Question:
What is the optimal stopping rule in terms of maximizing you expected payoff?
Reference Answer:
http://puzzles.nigelcoldwell.co.uk/fourteen.htm
https://drive.google.com/file/d/0B0E4VFlFjnCuQVphRkEwY1JtSlk/edit