

Description	Possible outcome?	Gain or loss				Net long-run amount	Sum of parts equal whole?	Sensitivity		Implicit recognition threshold?	Comments
		Probability	Maximum amount	Average absolute amount				To outliers	To more likely outcomes		
Expected value -- probability weighted average of all possible cash flows = mean	not always	highest	smaller	smaller	zero	yes	yes	yes	no	Need to identify all possible outcomes Most suited for distributions capable of being skewed, measuring current value, recurring transactions and when outliers are important?	
Maximum amount that is more likely than not to occur (MLTN) ~ median	yes	lower	smaller	smallest	not zero	no	no	yes	yes	Need to identify all outcomes and their probabilities except possibly outliers. Most suited distributions capable of being skewed, and when transactions do not recur frequently, outliers are not important, or outliers are more uncertain?	
Most likely outcome -- single cash flow amount with the highest individual probability = mode	yes	lowest	larger	larger	not zero	no	no	yes	yes	Need to identify only the most likely outcome. Sensitive to interval width. Most suited to distributions that are symmetrical about a single most likely outcome?	
Best estimate --??	yes?	lower?	?	?	not zero?	no?	no?	yes?	yes?	Not clear what this means if it is different from most likely (and in IAS 37 it is). Perhaps a central-ish possible outcome?	
Minimum or maximum amount in range of possible outcomes	yes	higher	largest	largest	largest	yes	yes	no	yes	No need to identify any probabilities. Suited only to distributions where any more central measures are too uncertain to be relevant?	
Midpoint of range of possible outcomes	not always	highest	smallest	smaller	not zero	yes	yes	no	no	No need to identify any probabilities. Most suited to distributions that are approximately symmetrical about midpoint or in absence of any evidence of probabilities?	
Possible outcome nearest to expected value	yes	lower	smaller	smaller	nearer zero	nearly	yes	yes	yes, if expected value near zero	Need to identify all possible outcomes. Behaves like expected value if there are many outcomes, and like MLTN if there are few.	