

Investment Under Uncertainty

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Stochastic Dominance - Haim Levy 2015-11-12

This fully updated third edition is devoted to the analysis of various Stochastic Dominance (SD) decision rules. It discusses the pros and cons of each of the alternate SD rules, the application of these rules to various research areas like statistics, agriculture, medicine, measuring income inequality and the poverty level in various countries, and of course, to investment decision-making under uncertainty. The book features changes and additions to the various chapters, and also includes two completely new chapters. One deals with asymptotic SD and the relation between FSD and the maximum geometric mean (MGM) rule (or the maximum growth portfolio). The other new chapter discusses bivariate SD rules where the individual's utility is determined not only by his own wealth, but also by his standing relative to his peer group. Stochastic Dominance: Investment Decision Making under Uncertainty, 3rd Ed. covers the following basic issues: the SD approach, asymptotic SD rules, the mean-variance (MV) approach, as well as the non-expected utility approach. The non-expected utility approach focuses on Regret Theory (RT) and mainly on prospect theory (PT) and its modified version, cumulative prospect theory (CPT) which assumes S-shape preferences. In addition to these issues the book suggests a new stochastic dominance rule called the Markowitz stochastic dominance (MSD) rule

corresponding to all reverse-S-shape preferences. It also discusses the concept of the multivariate expected utility and analyzed in more detail the bivariate expected utility case. From the reviews of the second edition: "This book is an economics book about stochastic dominance. ... is certainly a valuable reference for graduate students interested in decision making under uncertainty. It investigates and compares different approaches and presents many examples. Moreover, empirical studies and experimental results play an important role in this book, which makes it interesting to read." (Nicole Bäuerle, Mathematical Reviews, Issue 2007 d)

Investment, Capital Market Imperfections, and Uncertainty - Robert Lensink 2001-01-01

This book presents an up-to-date overview of the theory as well as the empirics of the relationship between investment, financial imperfections and uncertainty. After reviewing the capital market imperfections literature and the empirical results, the authors discuss both traditional investment models with uncertainty and the more modern option based models. They present an overview of empirical results of the modelling of investment under uncertainty. In these examples the effects of capital market imperfections on investment are carefully considered. The authors conclude that there is overwhelming empirical support for a

negative uncertainty-investment relationship. This book should appeal to academics with an interest in investment theory, professionals in the financial sector and students of macroeconomics and finance.

"Investment, Capital Market Imperfections, and Uncertainty" assumes only a basic knowledge of mathematics and is easily accessible.

Capital Budgeting Under Uncertainty - Raj Aggarwal 1993

Introduces concepts of capital budgeting, examines risky cash flow situations, and discusses growth options, strategic applications, and the impact of competition

Continuous-Time Models in Corporate Finance, Banking, and Insurance - Santiago Moreno-Bromberg 2018-01-08

Continuous-Time Models in Corporate Finance synthesizes four decades of research to show how stochastic calculus can be used in corporate finance. Combining mathematical rigor with economic intuition, Santiago Moreno-Bromberg and Jean-Charles Rochet analyze corporate decisions such as dividend distribution, the issuance of securities, and capital structure and default. They pay particular attention to financial intermediaries, including banks and insurance companies. The authors begin by recalling the ways that option-pricing techniques can be employed for the pricing of corporate debt and equity. They then present the dynamic model of the trade-off between taxes and bankruptcy costs and derive implications for optimal capital structure. The core chapter introduces the workhorse liquidity-management model—where liquidity and risk management decisions are made in order to minimize the costs of external finance. This model is used to study corporate finance decisions and specific features of banks and insurance companies. The book concludes by presenting the dynamic agency model, where financial frictions stem from the lack of interest alignment between a firm's manager and its financiers. The appendix contains an overview of the main mathematical tools used throughout the book. Requiring some familiarity with stochastic calculus methods, Continuous-Time Models in Corporate Finance will be useful for students, researchers, and professionals who want to develop dynamic models of firms' financial decisions.

Environmental Policy and Firm Behavior - Anastasios Xepapadeas 1999

This paper explores abatement investment and location responses to environmental policy, which takes the form of emission taxes or tradeable emission permits and subsidies against the costs of abatement investment, under uncertainty and irreversibility. Uncertainty is associated with output price, environmental policy parameters, or technological parameters. Irreversibility is related to abatement expenses and movements to a new location. Uncertainty is modeled by its stochastic differential equations, and the problem is analyzed by using optimal stopping methodologies. Continuation intervals during which firms do not engage in abatement investment or relocate and intervals during which firms take the irreversible decision of undertaking abatement expenses or relocating are defined. Free boundaries are characterized for a variety of cases that include output price uncertainty expressed both in terms of continuous fluctuations of permit prices and unpredictable policy changes, and combined policy and technological uncertainty. An optimal environmental policy is defined as the combination of policy parameters that makes the free boundary corresponding to the profit maximization problem coincide with the free boundary corresponding to a social optimization problem

Financial Decision Making Under Uncertainty - ANDERSON WEBSTER 2014-06-28

Financial Dec Making under Uncertainty

Flexibility and Real Estate Valuation under Uncertainty - David Geltner 2018-04-30

Provides a revolutionary conceptual framework and practical tools to quantify uncertainty and recognize the value of flexibility in real estate development This book takes a practical "engineering" approach to the valuation of options and flexibility in real estate. It presents simple simulation models built in universal spreadsheet software such as Microsoft Excel®. These realistically reflect the varying and erratic sources of uncertainty and price dynamics that uniquely characterize real estate. The text covers new analytic procedures that are valuable for

existing properties and enable a new, more profitable perspective on the planning, design, operation, and evaluation of large-scale, multi-phase development projects. The book thereby aims to significantly improve valuation and investment decision making. *Flexibility and Real Estate Valuation under Uncertainty: A Practical Guide for Developers* is presented at 3 levels. First, it introduces and explains the concepts underlying the approach at a basic level accessible to non-technical and non-specialized readers. Its introductory and concluding chapters present the important “big picture” implications of the analysis for economics and valuation and for project design and investment decision making. At a second level, the book presents a framework, a roadmap for the prospective analyst. It describes the practical tools in detail, taking care to go through the elements of the approach step-by-step for clarity and easy reference. The third level includes more technical details and specific models. An Appendix discusses the technical details of real estate price dynamics. Associated web pages provide electronic spreadsheet templates for the models used as examples in the book. Some features of the book include: • Concepts and tools that are simple and accessible to a broad audience of practitioners; • An approach relevant for all development projects; • Complementarity with the author's *Commercial Real Estate Analysis & Investments*—the most-cited real estate investments textbook on the market. *Flexibility and Real Estate Valuation under Uncertainty: A Practical Guide for Developers* is for everyone studying or concerned with the implementation of large-scale or multi-phase real estate development projects, as well as property investment and valuation more generally.

Stochastic Dominance - Haim Levy 2006-08-25

This book is devoted to investment decision-making under uncertainty. The book covers three basic approaches to this process: the stochastic dominance approach; the mean-variance approach; and the non-expected utility approach, focusing on prospect theory and its modified version, cumulative prospect theory. Each approach is discussed and compared. In addition, this volume examines cases in which stochastic dominance rules coincide with the mean-variance rule and considers how

contradictions between these two approaches may occur.

Investment, Uncertainty, and Irreversibility in Ghana - Catherine A. Pattillo 1997-12

Panel data on Ghanaian manufacturing firms are used to test predictions from models of irreversible investment under uncertainty. Information on the entrepreneur's subjective probability distribution over future demand for the firm's products is used to construct the expected variance of demand, which is used as a measure of uncertainty. Empirical results support the prediction that firms wait to invest until the marginal revenue product of capital reaches a firm-specific hurdle level. Moreover, higher uncertainty raises the hurdle level that triggers investment, and uncertainty has a negative effect on investment levels that is greater for firms with more irreversible investment.

The Art of Smooth Pasting - A. Dixit 2013-11-12

This book aims to widen the understanding of stochastic dynamic choice and equilibrium models. It offers a simplified and heuristic exposition of the theory of Brownian motion and its control or regulation, rendering such methods more accessible to economists who do not require a detailed, mathematical treatment of the subject. The main mathematical ideas are presented in a context which with which economists will be familiar. Using a binomial approach to Brownian motion, the mathematics is reduced to simple algebra, progressing to some equally simple limits. The starting point of the calculus of Brownian motion - 'Ito's Lemma' - emerges by analogy with the economics of risk-aversion. Conditions for the optimal regulation of Brownian motion, including the important, but often mysterious, 'smooth pasting' condition, are derived in a similar way. Each theoretical derivation is illustrated by developing a significant economic application, drawn mainly from recent research in macroeconomics and international economics.

Investment Under Uncertainty and Regulation of New Access Networks - Roman Inderst 2013

Irreversibility, Uncertainty, and Investment - Robert S. Pindyck 1989

Investment Under Uncertainty in Equilibrium - Robert Novy-Marx 2003

Risk, Uncertainty and Profit - Frank H. Knight 2012-03-09

DIVThis enduring economics text provided the theoretical basis of the entrepreneurial American economy during the post-industrial era. A revolutionary work, it taught the world how to systematically distinguish between risk and uncertainty. /div

Handbook Of The Fundamentals Of Financial Decision Making (In 2 Parts) - Maclean Leonard C 2013-05-10

This handbook in two parts covers key topics of the theory of financial decision making. Some of the papers discuss real applications or case studies as well. There are a number of new papers that have never been published before especially in Part II. Part I is concerned with Decision Making Under Uncertainty. This includes subsections on Arbitrage, Utility Theory, Risk Aversion and Static Portfolio Theory, and Stochastic Dominance. Part II is concerned with Dynamic Modeling that is the transition for static decision making to multiperiod decision making. The analysis starts with Risk Measures and then discusses Dynamic Portfolio Theory, Tactical Asset Allocation and Asset-Liability Management Using Utility and Goal Based Consumption-Investment Decision Models. A comprehensive set of problems both computational and review and mind expanding with many unsolved problems are in an accompanying problems book. The handbook plus the book of problems form a very strong set of materials for PhD and Masters courses both as the main or as supplementary text in finance theory, financial decision making and portfolio theory. For researchers, it is a valuable resource being an up to date treatment of topics in the classic books on these topics by Johnathan Ingersoll in 1988, and William Ziemba and Raymond Vickson in 1975 (updated 2nd edition published in 2006).

Investment Under Uncertainty - Robert K. Dixit 2012

How should firms decide whether and when to invest in new capital equipment, additions to their workforce, or the development of new products? Why have traditional economic models of investment failed to explain the behavior of investment spending in the United States and

other countries? In this book, Avinash Dixit and Robert Pindyck provide the first detailed exposition of a new theoretical approach to the capital investment decisions of firms, stressing the irreversibility of most investment decisions, and the ongoing uncertainty of the economic environment in which these decisions are made.

Turn Down the Heat - A Report for the World Bank by the Potsdam Institute for Climate Impact Research and Analytics. 2013-06-19

This report focuses on the risks of climate change to development in Sub-Saharan Africa, South East Asia and South Asia. Building on the 2012 report, Turn Down the Heat: Why a 4°C Warmer World Must be Avoided, this new scientific analysis examines the likely impacts of present day, 2°C and 4°C warming on agricultural production, water resources, and coastal vulnerability. It finds many significant climate and development impacts are already being felt in some regions, and that as warming increases from present day (0.8°C) to 2°C and 4°C, multiple threats of increasing extreme heat waves, sea-level rise, more severe storms, droughts and floods are expected to have further severe negative implications for the poorest and most vulnerable. The report finds that agricultural yields will be affected across the three regions, with repercussions for food security, economic growth, and poverty reduction. In addition, urban areas have been identified as new clusters of vulnerability with urban dwellers, particularly the urban poor, facing significant vulnerability to climate change. In Sub-Saharan Africa, under 3°C global warming, savannas are projected to decrease from their current levels to approximately one-seventh of total land area and threaten pastoral livelihoods. Under 4°C warming, total hyper-arid and arid areas are projected to expand by 10 percent. In South East Asia, under 2°C warming, heat extremes that are virtually absent today would cover nearly 60-70 percent of total land area in northern-hemisphere summer, adversely impacting ecosystems. Under 4°C warming, rural populations would face mounting pressures from sea-level rise, increased tropical cyclone intensity, storm surges, saltwater intrusions, and loss of marine ecosystem services. In South Asia, the potential sudden onset of disturbances to the monsoon system and rising peak temperatures would

put water and food resources at severe risk. Well before 2°C warming occurs, substantial reductions in the frequency of low snow years is projected to cause substantial reductions in dry season flow, threatening agriculture. Many of the worst climate impacts could still be avoided by holding warming below 2°C, but the window for action is closing rapidly. Urgent action is also needed to build resilience to a rapidly warming world that will pose significant risks to agriculture, water resources, coastal infrastructure, and human health.

Investment Decisions Under Uncertainty - Reginald Ansell Day Egerton 1960

Investment Under Uncertainty and Financial Market Development
- Sergio Lehmann 1997

Strategic Investment - Han T. J. Smit 2012-01-12

Corporate finance and corporate strategy have long been seen as different sides of the same coin. Though both focus on the same broad problem, investment decision-making, the gap between the two sides--and between theory and practice--remains embarrassingly large. This book synthesizes cutting-edge developments in corporate finance and related fields--in particular, real options and game theory--to help bridge this gap. In clear, straightforward exposition and through numerous examples and applications from various industries, Han Smit and Lenos Trigeorgis set forth an extended valuation framework for competitive strategies. The book follows a problem-solving approach that synthesizes ideas from game theory, real options, and strategy. Thinking in terms of options-games can help managers address questions such as: When is it best to invest early to preempt competitive entry, and when to wait? Should a firm compete in R&D or adopt an accommodating stance? How does one value growth options or infrastructure investments? The authors provide a wide range of valuation examples, such as acquisition strategies, R&D investment in high-tech sectors, joint research ventures, product introductions in consumer electronics, infrastructure, and oil exploration investment. Representing a major step beyond standard real

options or strategy analysis, and extending the power of real options and strategic thinking in a rigorous fashion, Strategic Investment will be an indispensable guide and resource for corporate managers, MBA students, and academics alike.

Progressive Taxation and Irreversible Investment Under Uncertainty - Luis H. R. Alvarez 2005

Real Options and Investment Under Uncertainty - Eduardo S. Schwartz 2004

The study of investment under uncertainty was stagnant for several decades until developments in real options revitalized the field. The topics covered in this book include the reasons behind the under-investment programme.

Irreversibility and Private Investment Decisions Under Uncertainty - Benjamin Ayodele Folorunso 2012-03

Developing countries are in dire need of sustainable economic growth and theoretical literature suggests the resurgence of private investment as a panacea for rapid economic growth. This calls for the examination of the determinants of private investment in the literature. Recent works have, however, indicated that the lost option value of investment and effect of uncertainty can be large but empirical literature on this issue is scanty in developing countries. The book, thus, examines private investment decisions in Nigeria and provides improved understanding and more dynamic framework for private investment decisions in the wake of irreversibility and uncertainty. The book concludes that high levels of uncertainty indicators cause private investment to decline while irreversibility affects the timing of private investment spending in the short run and makes private investors less eager to invest thus impacting negative effect on investment spending. The book is relevant to academia in the context of policy discussion on the causes of Africa's dismal growth performance and offers important guidelines for designing more effective policies as regards private investment decisions.

Corporate Investment Under Uncertainty and the Neoclassical Model - James L. Paddock 2017-08-24

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Investment under Uncertainty, Coalition Spillovers and Market Evolution in a Game Theoretic Perspective - J.H.H Thijssen 1988-11-15

Two crucial aspects of economic reality are uncertainty and dynamics. In this book, new models and techniques are developed to analyse economic dynamics in an uncertain environment. In the first part, investment decisions of firms are analysed in a framework where imperfect information regarding the investment's profitability is obtained randomly over time. In the second part, a new class of cooperative games, spillover games, is developed and applied to a particular investment problem under uncertainty: mergers. In the third part, the effect of bounded rationality on market evolution is analysed for oligopolistic competition and incomplete financial markets.

Uncertainty, Expectations, and Financial Instability - Eric Barthalon 2014-11-18

Eric Barthalon applies the neglected theory of psychological time and memory decay of Nobel Prize-winning economist Maurice Allais (1911-2010) to model investors' psychology in the present context of recurrent financial crises. Shaped by the behavior of the demand for

money during episodes of hyperinflation, Allais's theory suggests economic agents perceive the flow of clocks' time and forget the past at a context-dependent pace: rapidly in the presence of persistent and accelerating inflation and slowly in the event of the opposite situation. Barthalon recasts Allais's work as a general theory of "expectations" under uncertainty, narrowing the gap between economic theory and investors' behavior. Barthalon extends Allais's theory to the field of financial instability, demonstrating its relevance to nominal interest rates in a variety of empirical scenarios and the positive nonlinear feedback that exists between asset price inflation and the demand for risky assets. Reviewing the works of the leading protagonists in the expectations controversy, Barthalon exposes the limitations of adaptive and rational expectations models and, by means of the perceived risk of loss, calls attention to the speculative bubbles that lacked the positive displacement discussed in Kindleberger's model of financial crises. He ultimately extrapolates Allaisian theory into a pragmatic approach to investor behavior and the natural instability of financial markets. He concludes with the policy implications for governments and regulators. Balanced and coherent, this book will be invaluable to researchers working in macroeconomics, financial economics, behavioral finance, decision theory, and the history of economic thought.

Judgment Under Uncertainty - Daniel Kahneman 1982-04-30

Thirty-five chapters describe various judgmental heuristics and the biases they produce, not only in laboratory experiments, but in important social, medical, and political situations as well. Most review multiple studies or entire subareas rather than describing single experimental studies.

Real Options - Martha Amram 1999

Using real-world examples and clear case studies, the authors provide investors and managers with an innovative method for assessing a company's non-financial assets, allowing them to assess opportunities whose financial rewards are less than certain.

Real Options - Lenos Trigeorgis 1996-03-14

Comprehensive in scope, Real Options reviews current techniques of

capital budgeting and details an approach (based on the pricing of options) that provides a means of quantifying the elusive elements of managerial flexibility in the face of unexpected changes in the market. In the 1970s and the 1980s, developments in the valuation of capital-investment opportunities based on options pricing revolutionized capital budgeting. Managerial flexibility to adapt and revise future decisions in order to capitalize on favorable future opportunities or to limit losses has proven vital to long-term corporate success in an uncertain and changing marketplace. In this book Lenos Trigeorgis, who has helped shape the field of real options, brings together a wealth of previously scattered knowledge and research on the new flexibility in corporate resource allocation and in the evaluation of investment alternatives brought about by the shift from static cash-flow approaches to the more dynamic paradigm of real options—an approach that incorporates decisions on whether to defer, expand, contract, abandon, switch use, or otherwise alter a capital investment. Comprehensive in scope, *Real Options* reviews current techniques of capital budgeting and details an approach (based on the pricing of options) that provides a means of quantifying the elusive elements of managerial flexibility in the face of unexpected changes in the market. Also discussed are the strategic value of new technology, project interdependence, and competitive interaction. The ability to value real options has so dramatically altered the way in which corporate resources are allocated that future textbooks on capital budgeting will bear little resemblance to those of even the recent past. *Real Options* is a pioneer in this area, coupling a coherent picture of how option theory is used with practical insights in into real-world applications.

Investment Under Uncertainty - Robert K. Dixit 1994

How should firms decide whether and when to invest in new capital equipment, additions to their workforce, or the development of new products? Why have traditional economic models of investment failed to explain the behavior of investment spending in the United States and other countries? In this book, Avinash Dixit and Robert Pindyck provide the first detailed exposition of a new theoretical approach to the capital

investment decisions of firms, stressing the irreversibility of most investment decisions, and the ongoing uncertainty of the economic environment in which these decisions are made. In so doing, they answer important questions about investment decisions and the behavior of investment spending. This new approach to investment recognizes the option value of waiting for better (but never complete) information. It exploits an analogy with the theory of options in financial markets, which permits a much richer dynamic framework than was possible with the traditional theory of investment. The authors present the new theory in a clear and systematic way, and consolidate, synthesize, and extend the various strands of research that have come out of the theory. Their book shows the importance of the theory for understanding investment behavior of firms; develops the implications of this theory for industry dynamics and for government policy concerning investment; and shows how the theory can be applied to specific industries and to a wide variety of business problems.

Capital Budgeting Under Conditions of Uncertainty - R.L. Crum
2012-12-06

The business environment, particularly after the continuing oil crises of the seventies, can be characterized as evolving rapidly in complex and often unpredictable ways. Such things as high interest and inflation rates, fluctuating exchange rates, volatile commodity markets, and increasing political turmoil have led to a situation in which explicit consideration of environmental dynamics is becoming much more important for successful business planning than was true in the past. Companies are finding that it is no longer possible to conduct "business as usual" under these changing circumstances. Rather, decision makers are having to be more cognizant of the many sources of uncertainty that could have serious impacts on the continued prosperity of the firm, as well as of actions that can be taken so that the company can thrive in spite of these greater uncertainties. Businesses have responded to these challenges by giving more thorough consideration to strategic issues. Whereas in the past the steady progression of markets and technology was taken for granted, the uncertainties associated with increased

worldwide competition, as well as with other exogenous factors, have vii
viii INTRODUCTION forced companies to think more about flexibility.
This involves not only how best to exploit profitable current options, but
also how to position themselves at present to be able to respond
appropriately to threats and opportunities as they arise in the future.
Unfortunately, in this redirection of outlook, the finance profession has
not kept pace.

Flexibility and Real Estate Valuation under Uncertainty - David
Geltner 2018-02-19

Provides a revolutionary conceptual framework and practical tools to
quantify uncertainty and recognize the value of flexibility in real estate
development This book takes a practical "engineering" approach to the
valuation of options and flexibility in real estate. It presents simple
simulation models built in universal spreadsheet software such as
Microsoft Excel®. These realistically reflect the varying and erratic
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planning, design, operation, and evaluation of large-scale, multi-phase
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Valuation under Uncertainty: A Practical Guide for Developers* is
presented at 3 levels. First, it introduces and explains the concepts
underlying the approach at a basic level accessible to non-technical and
non-specialized readers. Its introductory and concluding chapters
present the important "big picture" implications of the analysis for
economics and valuation and for project design and investment decision
making. At a second level, the book presents a framework, a roadmap for
the prospective analyst. It describes the practical tools in detail, taking
care to go through the elements of the approach step-by-step for clarity
and easy reference. The third level includes more technical details and
specific models. An Appendix discusses the technical details of real
estate price dynamics. Associated web pages provide electronic
spreadsheet templates for the models used as examples in the book.

Some features of the book include: • Concepts and tools that are simple
and accessible to a broad audience of practitioners; • An approach
relevant for all development projects; • Complementarity with the
author's *Commercial Real Estate Analysis & Investments*—the most-cited
real estate investments textbook on the market. *Flexibility and Real
Estate Valuation under Uncertainty: A Practical Guide for Developers* is
for everyone studying or concerned with the implementation of large-
scale or multi-phase real estate development projects, as well as
property investment and valuation more generally.

*Evaluating real options as a means for investment appraisal under
uncertainty and its degree of utilisation by companies* - Andreas Würfel
2003-10-13

Inhaltsangabe:Abstract: This paper evaluates the real options approach
(ROA) as a means for appraising capital investments under uncertainty.
Globalisation and growing competitiveness have led to an increase in
uncertainty with regard to companies decision making. Flexibility to
react to this uncertainty has become more important. The question arises
whether there is a need for a further investment appraisal technique or
whether traditional techniques can cope with that. A growing literature
about real options shows that traditional investment appraisal techniques
do not value flexibility. That is why ROA has become more important
within recent years. However, the degree of its utilisation by companies
seems to be rather low. Three possible reasons for that are examined:
ROA is not well-known by companies, especially small- and medium-sized
enterprises. ROA is only limitedly applicable. ROA is too difficult to use.
After traditional investment appraisal techniques have been outlined, the
real options approach is illustrated by means of a case study. The
possible range of application is assessed by reviewing the literature. A
survey was conducted to check whether companies know about or apply
that technique, and to identify the tools used by companies. This study
shows that while the range of possible applications of real options is
rather vast, ROA is rarely known by German and British companies and
barely applied. One reason might be, that most books and articles are of
rather academic nature. This seems to have been realised since books

with a focus on practical application have been published recently. The complexity of ROA seems to be a further reason for its low degree of utilisation. Companies tend to use simpler but more comprehensible techniques although these methods have some major drawbacks. However, business science should not end in itself but serve businesses. Therefore, further emphasis has to be put on making real options approachable for practitioners. Inhaltsverzeichnis: Table of Contents: I. Abstract 2 II. Acknowledgements 3 III. Table of Contents 4 IV. List of Figures 7 V. List of Abbreviations 8 1. Introduction 9 2. Characteristics of Investment Decisions 11 2.1 What Is a Capital Investment? 11 2.2 Risk and Uncertainty 12 3. Tools for Investment Appraisals 15 3.1 Static Methods 15 3.2 Discounted Cash Flow Approaches (Dynamic) 17 3.3 Approaches Which Try to Deal With Risk 20 4. The Real Options Approach 24 4.1 Why Use Real Options to [...]

Games of Strategy - Dixit, Avinash K 2015-01-05

A clear, comprehensive introduction to the study of game theory. In the fourth edition, new real-world examples and compelling end-of-chapter exercises engage students with game theory.

Engineering Economics: Decisions and Solutions from Eurasian Perspective - Svetlana Igorevna Ashmarina 2020-07-17

This book presents the outcomes of the annual "Engineering Economics Week - 2020," organized by the Russian Union of Industrialists and Entrepreneurs, the Institute of Management and the Institute of Market Problems of the Russian Academy of Sciences (RAS), the South-Russian State Polytechnic University and Samara State University of Economics, and held in online format in May 2020. Focusing on the following topics: - the globalized economy and Russian industrial enterprises: development specifics and international co-operation; - state support for the real sector of the economy; - decisions in production and project management in the context of the digital economy; - big data and big challenges in production networks and systems; and - economic and social aspects of the innovation management: decision-making and control this book will appeal to scientists, teachers and students (bachelor's, master's and postgraduate) at higher education institutions,

economists, specialists at research centers, managers of industrial enterprises, business professionals, and those at media centers, and development fund and consulting organizations.

Handbook of the Economics of Risk and Uncertainty - Mark Machina 2013-11-14

The need to understand the theories and applications of economic and finance risk has been clear to everyone since the financial crisis, and this collection of original essays proffers broad, high-level explanations of risk and uncertainty. The economics of risk and uncertainty is unlike most branches of economics in spanning from the individual decision-maker to the market (and indeed, social decisions), and ranging from purely theoretical analysis through individual experimentation, empirical analysis, and applied and policy decisions. It also has close and sometimes conflicting relationships with theoretical and applied statistics, and psychology. The aim of this volume is to provide an overview of diverse aspects of this field, ranging from classical and foundational work through current developments. Presents coherent summaries of risk and uncertainty that inform major areas in economics and finance Divides coverage between theoretical, empirical, and experimental findings Makes the economics of risk and uncertainty accessible to scholars in fields outside economics

Real R & D Options - Dean Paxson 2003-01-17

This text addresses a wide range of issues in valuation using the Real Options technique. It covers the whole area of Real Options and looks closely at developments, especially in valuing technology companies. Authors in Europe, North and South America, Asia and Africa provide seven Real Options models and applications.

Decision Making Under Uncertainty with RISKOptimizer - Wayne L. Winston 1999

Investment Treaty Arbitration - Andrés Rigo Sureda 2012-04-16

How do arbitrators decide in the face of the uncertainty of the law between alternatives which may be equally justified?

Dynamic Economic Systems - John M. Blatt 2019-07-29

The future of the Common Law judicial system in Hong Kong depends on the perceptions of it by Hong Kong's Chinese population, judicial

developments prior to July 1, 1997, when Hong Kong passes from British to Chinese control, and the Basic Law. These critical issues are addressed in this book.