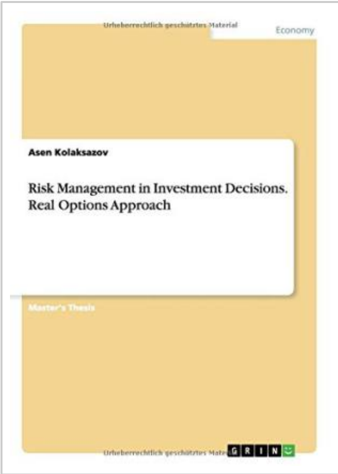

Risk Management in Investment Decisions. Real Options Approach

By Asen Kolaksazov

GRIN Verlag GmbH. Paperback. Condition: New. This item is printed on demand. 76 pages. Dimensions: 8.3in. x 5.8in. x 0.2in.Masters Thesis from the year 2012 in the subject Business economics - Investment and Finance, grade: Merit, University of Portsmouth (Business School), course: Masterarbeit - Risk Management, language: English, abstract: Numerous managers associate uncertainty with a bad outcome which should be averted. This thesis aim is to provide the opposite view. This dissertation will reveal the strategic potential hidden in each investment. If one firm is on the right track, it could obtain profit from the uncertainty. Uncertainty could generate value and capture a market share. Real option approach will present the way how this key aspect could be evaluated. The roots of the real option approach are derived from the emblematic formula for the finance world of Fischer Black, Robert Merton and Myron Scholes. The revolutionary in their work is that complex contracts could be evaluated. The option-pricing theory take unalterable place not only in financial but also in the real investments. In addition to this, the real option approach becomes a very powerful tool for managing the real assets. This approach could be used in a wide spectrum of...