Class Exercise

1. **Why aren’t risk analysis tools like Monte Carlo simulation and decision tree analysis more common in analyzing IT project risks?**

Risk analysis tools like Monte Carlo simulation and decision tree analysis are not more common in analyzing IT project risks because a Monte Carlo simulation is done by random generations while decision tree analysis is figured by chance. These random generations do not predict specific results.

2. **What could be done so that CIOs and IT project managers would be more apt to use these tools?**

CIO and IT project managers could possibly benefit from using these tools but only to a certain extent. I think it would be a good idea to use these tools as an idea for their own prediction, and then using other methods to find a more precise estimation.3. **Suppose you are the project manager for an ERP project.**

**Provide an example of a situation where Monte Carlo simulation would be appropriate.**

To calculate the probability of going over budget.

**Also provide an example of a situation where decision tree analysis would be appropriate.**