ASSIGNMENT 2

1. ASSIGNMENT SCOPE

The *purpose* of the Assignment is to demonstrate on self-invented case using any *two* of decision-making methods related to:

- Decisions made under risk and/or uncertainty
- Sequential decisions made using decision-trees
- Decision based on utility of expected value and risk premium

It is important to present decision-making process and final suggestions based on decision-making approaches introduced during lectures or labs (not on intuition or other non-number based parameters).

The complete assignment consists of two files:

A. a Word or PowerPoint file which contains:
   - written *statement* of the problem (your invention of problem definition is needed),
   - presentation of *decision-making problems* (as payoff table and/or decision tree),
   - *description* of the obtained *results* and their meaning/interpretation,
   - additional *comments* specific to a given problem:
     - if there is something interesting about the scope or solution of the problem,
     - any personal experience gathered during assignment preparation.

B. a relevant Excel file with solution and sensitivity calculation
   - Excel file with solution.

The Assignment 2 should contain an original problem (invented or taken from practice).

There is no specific constraint on the size of Word or PowerPoint file. Description should be comprehensive enough to understand solution.

2. ASSESSMENT CRITERIA

Maximal score for Assignment 2 – 17 points
Assignment 2 passing threshold – 60% (10.2 points)
Assessment 2 criteria:

- *Completeness* (project contains all necessary elements) – 40% points
- *Originality* – presented case contains original business case (approach to solve doesn't have to be original) – 30% points
- Editorial *correctness* and *attractiveness* of presentation = 30% points

Assignment 2 can be completed in a *team* (no more than 3 people)
Assignment 2 should be defended during classes or consultation time