Chapter 4: Uncertainty in Decision-Making

# Using Excel for Decision Analysis

## Corresponding reading: Chapter 4, Page 2

### Purpose: Learning how to use Excel to analyze a payoff table.

Use Excel to develop a spreadsheet model that accepts a payoff table and gives the best choice for each of the following approaches. Note that the Excel model must work for ***any*** number of alternatives and scenarios with a maximum of 10 alternatives and 10 scenarios.

* Optimistic
* Pessimistic
* Realistic ( shpuld be a model parameter)
* Equally likely
* Opportunity loss (with a pessimistic approach)

Hint: You need to use the following Excel functions:

* Max
* Min
* If
* Average

***Note:*** *Understanding the case and what you need to do is PART OF THE CASE. If you do not understand a specific part, or are not sure what you should do, you need to review the corresponding reading section in the text before asking for help. You might also need to do some search on the internet. That is all part of the case and your learning process.*