C. Carlsson and R. Fullér, *A fuzzy approach to real option valuation*, Fuzzy Sets and Systems, Volume 139, Issue 2, 2003

To have a *real option* means to have the possibility for a certain period to either choose for or against making an investment decision, without binding oneself up front. The real option rule is that one should invest today only if the net present value is high enough to compensate for giving up the value of the option to wait. Because the option to invest loses its value when the investment is irreversibly made, this loss is an opportunity cost of investing. The main question that a management group must answer for a deferrable investment opportunity is: *How long do we postpone the investment, if we can postpone it, up to T time periods?* In this paper we shall introduce a (heuristic) real option rule in a fuzzy setting, where the present values of expected cash flows and expected costs are estimated by trapezoidal fuzzy numbers. We shall determine the optimal exercise time by the help of possibilistic mean value and variance of fuzzy numbers.

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