

REAL OPTIONS 2019

ISEG LISBON
THURS/FRIDAY
Professor Dean Paxson

Starting Mar 7, 2019

ASSIGNMENT FOR THURSDAY 7 March 9:30 to 12:30, 1:30 +

SESSION #1

1. Read REAL OPTION VALUE, CH 1 (pages 4-11) and CH 2 (pages 12-22), and CH 3. Do Exercises 2.1, 2.2, 2.3 with a calculator, and Exercises 3.1, 3.2 and 3.3.
2. A primary objective during the first session is for students to organize report groups based on their interests and backgrounds. A RO_19 Report will focus on one enterprise or issue, noting the relevant real options, choosing 1-2 appropriate models, obtaining some input data, proposing strategic actions for management based on your analysis. Suitable projects in the past have started with a CASE, and then added recent data, interpreting the new application of the model. For the first case-project, the SWN 10-K for 2018 is available from 1 March 2019, so the figures can be usefully updated. Depending on class size, groups of five, everyone in the group receives the same grade.
3. Some may prefer the convenience of doing a case, where all data is provided, and the grade is individual.
4. There is too much material in the first "package" for any human student to absorb, so scan the three cases, decide which is most interesting for you.