

References for Project “Investment decisions under uncertainty”

Instructor: Cláudia Nunes

1) Books:

- Investment under uncertainty, Dixit & Pindyke.
This is a seminal book on real options, and contains the basic ideas. Mathematically it is quite informal, but provides the main notions. Most important chapters for the project: 4, 5 and 6.
- Technology Investment: A Game theoretical game approach
Book on investment in technology (dealing with jump processes). As we won't be addressing game theory, the chapters related are chapters 1, 2 and 3.

2) Papers:

- Hagspiel, Verena, Kuno JM Huisman, and Cláudia Nunes, "Optimal technology adoption when the arrival rate of new technologies changes." *European Journal of Operational Research* 243.3 (2015): 897-911.
Paper on technology adoption when the intensity rate changes.
- Hagspiel, Verena, Kuno JM Huisman, Kort, Peter and Cláudia Nunes. "How to escape a declining market: capacity investment or exit." To be published in *European Journal of Operational Research* (see attachment)