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Electrical/electronics engineering

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Engineering law and Managerial Economics

Class Test

1. Decision analysis is a systematic, quantitative, and visual approach to addressing and evaluating the important choices that businesses sometimes face, Ronald A. Howard, a professor of Management Science and Engineering at Stanford University, is credited with originating the term in 1964.
2. The decision-making process and incorporates aspects of psychology, management techniques, training, and economics, It is often used to assess decisions that are made in the context of multiple variables and that have many possible outcomes or objectives, The process can be used by individuals or groups attempting to make a decision related to risk management, capital investments, and strategic business decisions.
3. The goal behind such tools is to provide decision-makers with alternatives when attempting to achieve objectives for the business, while also outlining uncertainties involved and providing measures of how well objectives will be reached if final outcomes are achieved, Uncertainties are typically expressed as probabilities, while frictions between conflicting objectives are viewed in terms of trade-offs and utility functions.