Module title	Abbreviation
Decision Theory	12-I&F-F-262-m01

Module coordinator	Module offered by
holder of the Chair of Business Management and Corporate Finance	Faculty of Management and Economics

ECTS	Method of grading	Only after succ. compl. of module(s)
5	numerical grade	--

Duration	Module level	Other prerequisites
1 semester	undergraduate	--

Contents

Based on the decision theory under certainty, this module covers normative decision theory under uncertainty in its manifestations of the expected utility theory and the $\mu - \#$ theory.

Syllabus:

Part 1: Decisions under certainty
1. Fisher mode
2. Revealed preferences
3. Preference relations

Part 2: Decisions under uncertainty: Expected Utility Theory
1. The basic model
2. Risk preferences
3. Intensity of risk aversion
4. Stochastic dominance
5. Prospect Theory

Part 3: Decisions under uncertainty: $\mu - \#$ principle
1. Introduction
2. Relation to expected utility theory
3. Application in Portfolio Theory & Tobin-Separation
4. Properties

Intended learning outcomes

The students acquire knowledge about how to describe appropriate decision situations and how to solve them based on the learned concepts.

Courses (type, number of weekly contact hours, language — if other than German)

V (2) + Ü (2)
Module taught in: German and/or English

Method of assessment (type, scope, language — if other than German, examination offered — if not every semester, information on whether module is creditable for bonus)

a) written examination (approx. 60 to 120 minutes) or
b) portfolio (approx. 50 hours total)
Language of assessment: German and/or English
creditable for bonus

Allocation of places

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Additional information

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Workload
150 h
Teaching cycle
Teaching cycle: summer semester
Referred to in LPO I (examination regulations for teaching-degree programmes)
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Module appears in
keinem Studiengang zugeordnet