

Ques-2 →

# Decision \* Modelling :- →

→ Decision modelling refers to the use of Mathematical or Scientific methods to determine an allocation of scarce resources which improve or optimizes the performance of a system.

→ The term operation research and Management Science are also used to refer to decision modelling.

# Applications of decision Model

→ portfolio optimization, security pricing, options, cash flow matching.

→ Ex:-> Library view Capital Management use a spreadsheet optimization model developed by a 1995 Columbia MBA to hedge bond investments using stock and options.

system of eq<sup>n</sup> & inequalities.

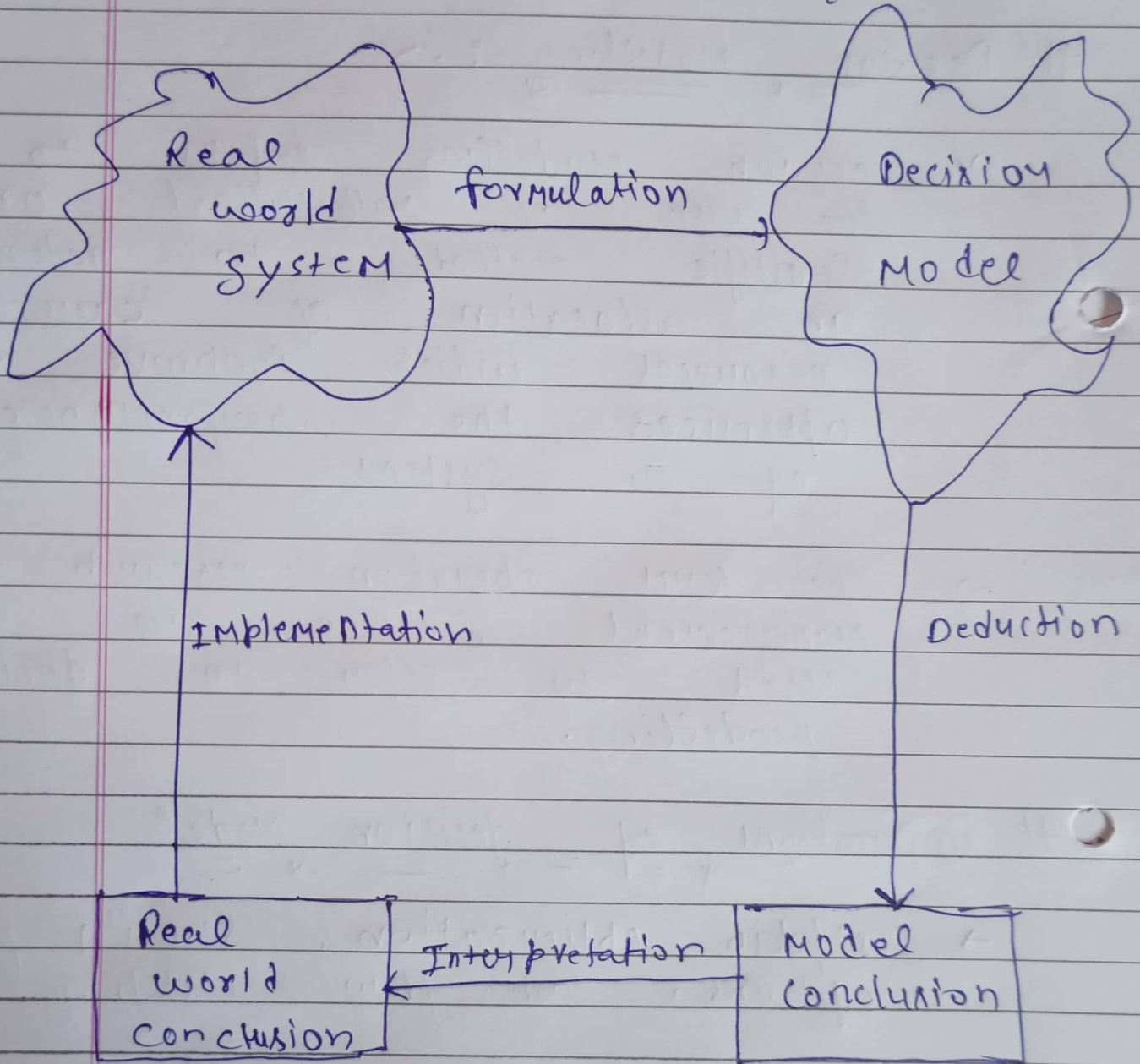


fig:-) Decision Model.