Contents

	Foreword by Scott P. Mason ix Preface xi
1	Introduction and Overview 1
2	Traditional Capital Budgeting 23
3	Option-Pricing Theory and Financial-Options Applications 69
4	A Conceptual Options Framework for Capital Budgeting 121
5	Quantifying Flexibility in Capital Budgeting: Discrete-Time Analysis 151
6	Quantifying Flexibility: Some Continuous-Time Analytic Models 203
7	Interactions among Multiple Real Options 227
8	Strategic Planning and Control 257
9	Competition and Strategy 273
10	Numerical Analysis 305

11 Applications 341

12 Conclusions and Implications 367

Appendix 379

Notes 389 Bibliography 411 Index 421