

Thesis I.: All the real-option situations connected to corporate investment decisions, which are identified and valued separately in the field, can be derived from two basic types of real-options: timing and growing. The application of real option analysis for corporate investment decisions becomes more simple by using this two-model approach.

Thesis II.: The parameters necessary for real option analysis can be defined for the general capital budget of a project if the expected cash flows can be divided into costs and revenues influenced by the option-like decision, and costs and revenues determined by past decisions. In this case no additional specifications are needed for the price, costs and stochastic processes as the necessary real option parameters will be given or can be calculated by simulation.

Thesis III.: All real-option situations connected to investment decisions can be valued by using the modified version of the Margrabe-model for exchange options if the present value of the exercise price is calculated by discounting its estimated value at expiration (the expected relevant fixed cost) by the cost of capital instead of the current market price used by the original Margrabe-formula.