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Review Lecture

In the Spring semester of 2025 the Technion administration decided that, for this semester only, the last lecture of each course will not contain any new material. The following list of topics is the basis for my last lecture in “Introduction to Economic Decision Making for Engineers”, 0340045.

1. Material from “Lecture Notes on *Time-Value of Money*”, file: money-time02.tex.
 - (a) Section 4: Interest Formulas. Section 4.2: Constant Loan or Investment, pp.8–10.
 - (b) Section 5: Present Worth Method, p.17.
 - (c) Section 6: Future Worth Method, p.20–21.
 - (d) Section 7.1: Uncertainty, p.23.
 - (e) Section 7.2: Robustness, p.24–25.
 - (f) Section 7.3: Decision Making and the Innovation Dilemma, p.26.
 - (g) Section 8: Uncertain Constant Yearly Profit, A .
Section 8.1: Info-Gap on A , pp.27–28.
 - (h) Section 9: Uncertain Return, i , on Uncertain Constant Yearly Profit, A , pp.33–34.
 - (i) Section 10.4: Info-Gap on A : Are PW and FW Robust Preferences the Same? p.42.
2. Material from “Lecture Notes on *The Benefit-Cost Ratio*”, file: benefit-cost02.tex.
 - (a) Section 1: Incommensurate Benefits and Costs
§ The goal. § The problem. § The approach. p.2.
 - (b) Section 3: Using the BCR with Incommensurate Benefits and Costs
Section 3.1: Robotic Position Accuracy, pp.17–18.
 - (c) Section 3.5: Uncertain Discounting of Future Non-Monetary Benefit: Sorties of a Drone, p.25.
3. Material from “Lecture Notes on *Price Changes: Inflation and Foreign Exchange*”, file: price-change02.tex.
 - (a) Section 1: Consumer Price Index and Inflation, p.4, eq.(1); p.6, eq.(3).
 - (b) Section 2.1: Nominal and Real Prices and Interest Rates: Definitions, p.6.
 - (c) Section 3: Engineering Decisions with Inflation
Section 3.1 Wireless Monitoring of Distributed Servers: Multiple Inflation Indices, pp.13–14 to eq.(52).

- (d) Section 4: Foreign Exchange Rates, p.31.
- (e) Section 4.1.2: Purchasing Power Parity (PPP), p.32, first half.
- (f) Section 4.2.1: Foreign Investment without Inflation, p.36.
- (g) Section 4.2.4: Foreign Investment with Uncertain Inflation and Uncertain Devaluation: Two Design Alternatives. pp.41–43.

4. After reviewing the above material, let the students work on the following problems in the homework file: #50 (p.50, 143), #52 (p.52, 146), #14 (p.12, 76) (in that order).