

## **BMA5255 Management Decision Making** (Semester II, 2008/2009)

**Lecturer:** Dr. Wu Yaozhong

### **Aims & Objectives**

The objective of this course is to help you understand and improve the quality of business decisions and become a better decision maker. Decision-making is becoming increasingly challenging in a fast-paced business world where managers must make frequent decisions in the face of rising uncertainty and complexity. This course will take a systematic view of management decision making from both normative and descriptive perspectives. While the normative perspective focuses on what rational managers should do in order to make optimal decisions, the descriptive perspective offers critical insights about how real managers make judgment and decisions. Class discussion will be organized around the contrasts between what decision-makers should do in a normative sense and how they actually do in a descriptive sense. The normative approach may help decision makers to identify, structure, and analyze decision problems in a systematic and logical manner. On the other hand, the descriptive approach has provided insightful understandings of how people deviate from rational decision making and easily fall into common decision traps. This course will teach you how to think critically about the decisions you and other people make, how to avoid common decision pitfalls, and how to improve your decision making skills by offering a comprehensive cross-disciplinary knowledge of decision making and more importantly its real life applications.

**Prerequisites:** Basic knowledge of Probability

### **Assessment**

Class Participation	20%
Assignments	50%
Final Project	30%

### **Text and Readings**

Required reading materials will be distributed before class. The following books are recommended for further readings.

J. Edward Russo & Paul J.H. Schoemaker. 2002. *Winning Decisions: Getting It Right the First Time*. Douladay

Reid Hastie & Robyn M. Dawes. 2001. *Rational Choice in An Uncertainty World*. Sage Publications.

Scott Plous. 1993. *The Psychology of Judgment and Decision Making*. McGraw Hill

Max H. Bazerman. 2005. *Judgment in Managerial Decision Making*. Wiley.

Robert B. Cialdini 2000. *Influence: Science and Practice*. Allyn & Bacon.