Application of a Decision Tree Model on a Business Case from Egypt

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ABSTRACT

Over the past few decades, Egypt’s economy has evolved tremendously due to the advancements in all aspects of business supporting infrastructures including power, transport and telecom. As a result, a lot of business opportunities have started to appear in various sectors and most are very attractive in terms of potential profits. As a result, the need for scientific tools to help investors decide upon the most profitable opportunities has arisen. In this paper, we prove the importance of using scientific models in decision making by applying the Decision Tree Model on a business case from Egypt, in which an investor is facing two different opportunities and deciding upon the most profitable one.

Keywords: Feed-in-Tariff (FiT), Solar energy, Project development, Private Equity Fund, NPV, IRR, Payback Period.