

NATIONAL UNIVERSITY OF SINGAPORE
NUS Business School
Department of Decision Sciences

DSC1007X Business Analytics – Models and Decisions

Lecturers : Asst Prof Wang Tong

Session: Semester I, 2015/2016

Description

We are now at the era of *big data*. Companies are able to collect tremendous amount of data, very often more than necessary, with ease. “Information is Power” is no longer valid if companies are not able to make correct decision timely out of the data. The use of business analytics for modeling and decisions represents the future of best practices for tomorrow’s success companies.

This course prepares students with fundamental theory and basic instruments to capture business insights from data and thus make good managerial decisions. Quantitative models and tools such as Decision Analysis, Simulation Modeling and Mathematical Optimization are covered to demonstrate the use of scientific methods in business decision making. Practical examples and cases with rich data are used to stimulate students’ interest and understanding in Business Analytics.

Objectives

The learning outcomes are based on the principles of Rigor and Relevance.

Rigor

The students will learn the foundations of probability and their applications in the business environment. These fundamental concepts will be covered in an integrated manner with the business analytics tools for modeling and decisions including

- 1) Managerial Decision Analysis
- 2) Simulation Modeling: Concepts and Practice
- 3) Optimization Models and Their Applications

Emphasis will be made on how, what and why certain tools are useful, and what their ramifications would be when used in practice.

Relevance

Materials covered in the course are relevant and can be applied to realistic and representative business environment. Cases will also be used. This module also makes active use of the EXCEL spreadsheet, which is ubiquitous in the business environment. Last but not least, students will hone their skills to communicate their analytical findings effectively to Management.

Course Outline

- 1) Foundations of Probability and Their Applications**
 - a) Laws of Probability, Bayes Theorem, Covariance
 - b) Discrete Probability Distributions
 - c) Continuous Probability Distributions
 - d) Normal Distribution and the Central Limit Theorem

- 2) Managerial Decision Analysis**
 - a) Decision Tree Model and Analysis
 - b) General Method Decision Analysis

- 3) Simulation Modeling: Concepts and Practice**
 - a) Random Number Generators
 - b) Using the Sample Data for Analysis
 - c) Computer Software for Simulation Modeling

- 4) Optimization Models and Their Applications**
 - a) Formulating Management Problems
 - i) Linear Optimization Model
 - ii) Nonlinear Optimization Model
 - iii) Discrete Optimization Model
 - b) Computer Software for Optimization Modeling

Reading List

Compulsory reading:

“Data Analysis, Optimization, and Simulation Modeling” 5th Edition by Albright and Winston

Supplementary reading:

“Data, Models and Decisions: The Fundamentals of Management Science” by Dimitris Bertsimas and Robert M Freund, Dynamic Ideas (2004)

Prerequisites

Fundamental skills in Excel.

Weightage of Assessment

Continuous Assessment :

Class Discussion	10%
Group Project	10%
Assignments	10%

Final Examination 70%