

Game Theory as a Tool for Converting Risk to Opportunity

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ABSTRACT

Game theory is a fascinating subject. It is applied in many various academic fields including economics, management, biology, psychology, sociology etc. The purpose of this paper is to apply game theory to problem solving and risk management. First we present briefly game theory and illustrate the relationship between game theory, strategic planning and risk management. Game theory is combined with the theory of risk management to capture any opportunity that a business can turn the risk into opportunity. For managers who deal with a huge amount of data, game theory is simply an alternative perspective with which they can view the process of problem solving. Our study indicates how game theory helps managers to solve the problems, make strategic decisions and manage risks.

KEYWORDS

Data mining, Game theory, Risk management, Strategic planning

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