



The Engineering Economist >

A Journal Devoted to the Problems of Capital Investment

Volume 47, 2002 - [Issue 2](#)

123 Views | 11 CrossRef citations to date | 0 Altmetric

ARTICLES

Valuing Lease Contracts Under Incomplete Information: A Real-Options Approach

MONDHER BELLALAH, THEMA & CEREG

Pages 194-212 | Published online: 31 May 2007

📄 Cite this article 🔗 <https://doi.org/10.1080/00137910208965032>



📖 References

🗉 Citations

📊 Metrics

🖨 Reprints & Permissions

Read this article

🔗 Share

ABSTRACT

This paper presents a unified framework for the pricing of leasing contracts in an option framework within incomplete information. Incomplete information is defined in the context of Merton's (1987) simple model of capital market equilibrium with incomplete information. Information costs are also used in Bellalah (1999, 2001, 2002) models for the pricing of derivative assets in the presence of shadow costs of incomplete information. The model is based on the main concepts behind interest rate models. It can be used to determine equilibrium lease rates for different types of leases such as forward leases, leases with options to renew or cancel, lease insurance contracts, adjustable rate leases, and leases with payments contingent on asset usage.

People also read

Recommended articles

Cited by
11

Information for

- Authors
- R&D professionals
- Editors
- Librarians
- Societies

Opportunities

- Reprints and e-prints
- Advertising solutions
- Accelerated publication
- Corporate access solutions

Open access

- Overview
- Open journals
- Open Select
- Dove Medical Press
- F1000Research

Help and information

- Help and contact
- Newsroom
- All journals
- Books

Keep up to date

Register to receive personalised research and resources by email

 Sign me up

