

**TABLE OF CONTENTS**

JURY AND INSTITUTE APPROVAL .....	I
ABSTRACT .....	III
ACKNOWLEDGEMENTS .....	V
TABLE OF CONTENTS .....	VII
LIST OF TABLES AND FIGURES.....	IX
1. INTRODUCTION.....	1
1.1. Problem definition, objectives, significance and purpose of the study.....	1
1.2. The Scope of the scientific study .....	3
1.3. Hypotheses of the study .....	5
1.4. Applied scientific methods of the study.....	8
1.5. Applied statistical methods of the study .....	9
1.6. Definition of decision makers .....	9
1.7. Definition of risk and risk aversion.....	10
1.8. Definition of SME.....	13
1.9. Definition of foreign direct investment.....	14
1.10. The business location Brazil .....	17
1.10.1. Market-related market entry barriers Brazil.....	21
1.10.2. Company-related market entry barriers of a Brazilian FDI.....	26
1.11. Types of direct investment by SMEs .....	29
1.11.1. Establishment of a new subsidiary in Brazil.....	30
1.11.2. Asset deals and share deals of Brazilian companies .....	32
1.11.3. Joint Venture in Brazil .....	34
2. LITERATURE REVIEW AND SCIENTIFIC DISCUSSION.....	37
2.1. The internationalization model under consideration of risk aversion.....	37
2.2. The decision makers from a theoretical perspective .....	55
2.3. The impact of heuristics to risk adverse decision makers.....	62
2.4. Risk-adequate investment appraisal for a Brazilian direct investment.....	72
2.5. Specifics of decision makers in SMEs .....	81
3. THE MODEL OF RISK AVERSION .....	85
3.1. The model variables of risk aversion .....	86
3.1.1. Variable risk expectation.....	89
3.1.2. Variable experience.....	92
3.1.3. Variable information .....	95
3.1.4. Variable intuition .....	99
3.1.5. Variable risk preferences.....	106
3.1.6. Variable risk perception .....	108
3.2. The overall model of risk aversion .....	111

---

3.3. Further need for scientific discussion .....	112
4. APPLIED SCIENTIFIC METHODS .....	115
4.1. Research design, sampling method and data collection.....	115
4.2. Methods of data analysis .....	121
5. RESULTS AND DISCUSSION OF THE STUDY .....	125
5.1. Discussion of the model variables of risk aversion.....	125
5.1.1. The influence of risk expectations on risk aversion.....	125
5.1.2. The influence of experience on risk aversion .....	135
5.1.3. The influence of information on risk aversion.....	146
5.1.4. The influence of intuition on risk aversion .....	152
5.1.5. The influence of risk preference on risk aversion.....	157
5.1.6. The influence of risk perception on risk aversion.....	162
5.2. The model variables of risk aversion .....	174
5.3. The decision behavior of decision makers in SMEs .....	181
5.4. The influence of strategy and plans on the direct investments risks.....	184
6. CONCLUSION AND RECOMMENDATION .....	187
6.1. Discussion of the model variables of risk aversion.....	187
6.1.1. Conclusion on the variable risk expectation .....	187
6.1.2. Conclusion on the variable experience .....	189
6.1.3. Conclusion on the variable information.....	192
6.1.4. Conclusion on the variable intuition .....	194
6.1.5. Conclusion on the variable risk preference.....	195
6.1.6. Conclusion on the variable risk perception.....	196
6.2. Conclusion on the overall model of risk aversion.....	199
6.3. Conclusion on the modification of the internationalization model.....	200
6.4. Other conclusions.....	202
6.5. Change-strategies to implement a direct investment .....	203
6.6. Risk adequate assessment procedures for direct investments .....	207
6.7. Strategic consideration of intuition .....	210
6.8. Economic policy promotion of Brazilian direct investments .....	216
7. REFERENCES.....	217
Appendix 1: Meta-analysis of the model variables of risk aversion.....	238
Appendix 2: Survey and survey results.....	240
Appendix 3: Answers Associations BRIC-countries .....	248
Appendix 3: Associations to chances and risks BRIC-countries .....	257
Appendix 3: Summary and analysis of chances and risks BRIC-countries.....	260
Appendix 4: Evaluation of the variable risk expectations .....	261
Appendix 5: Analysis context-related international experience .....	263