**Case study – Exercise: Multi-criteria analysis – the Late Payment Directive**

**Part 1: assignments**

1. Think about different policy measures/options to reduce late payments
2. Divide the list of 15 policy measures in Part 2 into the following classification:
   1. Do nothing
   2. Hard legally binding rules
   3. Soft regulation
   4. Education and information
   5. Economic instruments
3. Identify the potential impacts for each of the 15 policy instruments in Part 3. Add a + if you expect a positive effect and a – if you expect a negative effect.
4. Take of look at option 1 as presented in your bundle. Calculate the costs and benefits for option 1 and allocate them to the correct cost/benefit types in Part 4.
5. Think about which other measures could reduce late payments in order to strengthen option 1
6. Carry out a multi-criteria analysis (MCA) in Part 4:
   1. Step 1: determine costs and benefits (see 3.)
   2. Step 2: standardization row maximum
   3. Step 3: multiply and sum up
   4. Step 4: determine preference rule
7. What happens if the weights/inputs of the impacts in the multi-criteria analysis are modified?

