

INPUT OF ONE FORMAL SYSTEM INTO ANOTHER[†]

Levels of Hierarchical Control System
SUMMARY



Formal System (FS) is one which has a formal language, composed by symbols like figures and formulas. They are applied in the financial projects with profitability evaluation in the business plan and unconditionally **8R-PROGRAM** in the risk assessment. On this basis, the hierarchical structure of unique software has been built.

Description of an industrial investment project by business manager M and what the expert, developer of the financial investment model and the insurer, have understood is a game of verbal communications that almost never achieves sufficient adequacy. The main reason is the psychological treatment of the object and the logic of it development because each of us has its own logic of thinking. The most sensitive on this topic are the **financial risk** analyzes, which are based entirely on verbal communication, which is informed by the expert-evaluator. He must construct artificial mathematical structures that will lead to the appropriateness of the words used with their specific meaning as intended. This is algorithmic treatment of thought processes, expressed in words, in order to obtain real-life axioms and from there to digital analysis and management.

For the theory of **FS** and its application in quantitative financial **RISK ASSESSMENT** as a universal product and part of modern financial modeling you can learn from (and printed) the expanded format of this Summary.





^{*} The Star of <u>Ishtar</u> has eight rays. Each represents a distinctive type of vital energy from the Multiverse. The concept of the *Seven Mystical Cosmic Rays* has existed since at least 650 BCE. Greek, Hindu, Vedic, Egyptian, Chinese, Persian, and Babylonian cultures all had versions of it. The rays are the major types of energy substance, bearer of information. Those are the Seven Rays, but what about the 8th?