

The Science of Choices

Behavioural Economics · Answer Key · 8 Questions

1. What is the name for the mental shortcut our brain uses to make quick decisions without thinking too much?

- A) Heuristic**
- B) Hyperactivity
- C) Habitation
- D) Hypothesis

2. When people value an item more simply because they own it, this is known as which effect?

- A) The Giving Bias
- B) The Endowment Effect**
- C) The Keeping Rule
- D) The Possession Habit

3. What do economists call the tendency for people to stick with the default option provided to them instead of making a change?

- A) Status Quo Bias**
- B) The Lazy Choice
- C) The Automatic Rule
- D) Preference Persistence

4. Which concept describes why people often make different choices depending on whether a situation is framed as a gain or a loss?

- A) Perspective Theory
- B) Prospect Theory**
- C) Point of View Logic
- D) Positioning Principle

5. What is the term for when people copy the actions of others because they assume the group knows the best way to behave?

- A) Social Proof**
- B) Group Thinking
- C) Community Copying
- D) Public Mirroring

6. In economics, what is the 'Present Bias' referring to?

- A) The desire for birthday gifts
- B) Preferring smaller rewards now over larger rewards later**
- C) The habit of waiting for better things
- D) A focus on future planning

7. What is it called when a person focuses too much on the first piece of information they receive when making a judgment?

- A) The Anchor Effect**
- B) The Primary Point
- C) The Starting Line
- D) The Initial Bias

8. What do behavioural scientists call the 'nudge' that influences choices without forbidding any options?

- A) Choice Architecture**
- B) Decision Design
- C) Option Engineering
- D) Action Planning