

Southeast Asian Behavioural Economics Challenges

Behavioural Economics · Practice Test · 25 Questions

1. In a densely populated urban area like Jakarta, a government initiative aims to reduce plastic bag usage by introducing a small fee at supermarkets. This fee leverages which behavioural economics concept to encourage a shift from habitual consumption?

- A) Loss aversion
- B) Framing effect
- C) Endowment effect
- D) Anchoring bias

2. Consider mobile money adoption in the Philippines, where users are often hesitant to store large sums due to perceived risks. A successful strategy to overcome this might involve which behavioural intervention?

- A) Presenting long-term benefits over immediate security concerns
- B) Offering small, frequent, and visible rewards for consistent usage
- C) Promoting complex financial literacy programs
- D) Emphasizing the historical stability of traditional banking methods

3. A street food vendor in Bangkok subtly places the more expensive, premium dishes at eye-level on their menu board, while standard options are placed slightly lower. This is an application of:

- A) Availability heuristic
- B) Confirmation bias
- C) Choice architecture (positioning)
- D) Scarcity principle

4. In Malaysia, a campaign to increase organ donation rates focuses on making the opt-out system the default. This strategy primarily aims to influence decisions through:

- A) Reciprocity norm
- B) Social proof
- C) Default bias (status quo bias)
- D) Mental accounting

5. A microfinance institution in Vietnam introduces a 'commitment savings' product where individuals lock away funds for a specific period to achieve a goal, like buying school supplies. This product directly addresses the behavioural challenge of:

- A) Hyperbolic discounting
- B) Bandwagon effect
- C) Dunning-Kruger effect
- D) Optimism bias

6. During a heatwave in Singapore, public transport authorities want to encourage citizens to use the MRT over private cars. A behavioural nudge might involve:

- A) Doubling MRT fares to increase perceived value
- B) Displaying real-time air pollution levels inside buses and at bus stops
- C) Offering a significant discount on parking fees for MRT commuters
- D) Reducing the frequency of MRT services to create scarcity

7. A rice farmer in Cambodia faces uncertainty about adopting a new, higher-yield seed variety. A behavioural intervention that could encourage adoption is:

- A) Mandating the use of the new seeds by decree
- B) Providing substantial upfront subsidies without addressing risk perception
- C) Organizing field days where early adopters share positive testimonials
- D) Focusing solely on the theoretical economic benefits of the new seeds

8. In Myanmar, a campaign to improve handwashing habits among children uses colourful posters featuring popular cartoon characters. This taps into which behavioural principle?

- A) Hindsight bias
- B) Representativeness heuristic
- C) Affect heuristic (emotional appeal)
- D) Procrastination

9. A fintech startup in Indonesia offers a 'round-up' feature for digital payments, where the spare change from each transaction is automatically invested. This is a practical application of:

- A) Attentional bias
- B) Affective forecasting
- C) Automated saving (saving-by-default)
- D) Cognitive dissonance

10. To encourage saving for retirement in the Philippines, where immediate gratification is often prioritized, a common behavioural pitfall to overcome is:

- A) Overconfidence
- B) Present bias (hyperbolic discounting)
- C) Negativity bias
- D) Status quo bias

11. A tourism board in Thailand wants to promote responsible tourism. They might use signage that highlights the majority of tourists who adhere to environmental guidelines, leveraging the principle of:

- A) Authority bias
- B) Anchoring effect
- C) Social proof (descriptive norms)
- D) Halo effect

12. In Vietnam, a public health campaign against smoking might use vivid imagery of the long-term health consequences of smoking on children and family members. This approach is primarily aimed at influencing behaviour through:

- A) Priming
- B) Fear appeals (related to loss aversion)
- C) Mere-exposure effect
- D) Confirmation bias

13. A ride-sharing service in Kuala Lumpur notices a dip in driver availability during non-peak hours. A behavioural incentive to address this could be:

- A) Increasing surge pricing during off-peak times
- B) Offering bonus payments for completing rides during historically low demand periods
- C) Reducing the commission rate for all drivers
- D) Implementing a loyalty program based on total rides completed

14. A mobile app in Cambodia designed to help users track and reduce their food waste might employ which behavioural tool to make progress more salient?

- A) Displaying abstract statistics of waste reduction
- B) Providing personalized weekly summaries with visual progress charts
- C) Suggesting users buy more food to compensate for potential waste
- D) Ignoring individual user data to maintain privacy

15. In Indonesia, when individuals are encouraged to buy insurance, the difficulty in imagining distant future losses (e.g., illness, accident) represents a challenge related to:

- A) Availability heuristic
- B) Affective forecasting errors
- C) Endowment effect
- D) Confirmation bias

16. A government in Laos implementing a water conservation campaign might use messages that emphasize that 'most households in your neighbourhood are already conserving water.' This is an example of using:

- A) Personalization
- B) Social proof (injunctive norms)
- C) Cognitive dissonance
- D) Framing effect

17. A social enterprise in the Philippines distributing mosquito nets might face resistance due to individuals' perception that they are not personally at high risk. This relates to:

- A) Optimism bias
- B) Availability heuristic
- C) Bandwagon effect
- D) Scarcity principle

18. In Singapore, a policy to encourage cycling might involve creating physically separated bike lanes, thereby making cycling the easiest and safest option. This is a form of:

- A) Rational choice theory
- B) Libertarian paternalism (choice architecture)
- C) Economic deterrence
- D) Utilitarianism

19. A teacher in Thailand uses a sticker system where students earn stickers for completing homework on time, with bonus stickers for exceptional effort. This leverages:

- A) Reciprocity
- B) Loss aversion
- C) Gamification (reward systems)
- D) Authority bias

20. Consider a scenario in Malaysia where consumers are presented with two identical products: one labelled 'Organic' and the other 'Natural'. The 'Organic' label is likely to evoke a stronger positive response due to:

- A) Anchoring bias
- B) Halo effect
- C) Representativeness heuristic
- D) Default bias

21. To combat the common tendency to spend windfalls immediately, a financial advisor in Vietnam might suggest:

- A) Investing the entire windfall in high-risk assets
- B) Putting the windfall into a highly liquid, easily accessible savings account
- C) Setting up an automatic transfer of a portion of the windfall to a long-term investment or savings account
- D) Sharing the windfall with as many people as possible to spread good fortune

22. A company in the Philippines selling artisanal coffee might offer a 'tasting flight' where customers can sample several smaller portions of different coffee beans. This helps overcome which behavioural challenge related to trying new, potentially expensive products?

- A) Endowment effect
- B) Framing effect
- C) Choice paralysis (overchoice)
- D) Status quo bias

23. In a rural community in Cambodia, a health worker promoting vaccinations might use testimonials from respected village elders. This strategy relies on the power of:

- A) Social proof (normative influence)
- B) Availability heuristic
- C) Reciprocity
- D) Anchoring bias

24. A mobile payment app in Indonesia wants to encourage users to pay merchants directly rather than withdraw cash. They could offer a small, immediate discount for direct payments, utilizing the principle of:

- A) Loss aversion
- B) Framing effect
- C) Zero-sum bias
- D) Priming

25. A community-led initiative in Thailand to reduce single-use plastic in a coastal town could use social media campaigns that highlight local influencers and community leaders actively participating in beach clean-ups. This is primarily aimed at fostering:

- A) Authority bias
- B) Social proof (injunctive and descriptive norms)
- C) Confirmation bias
- D) Affect heuristic