**Behavioural Economics**

Provide the key term for the following definitions

1. An aspect of choice architecture and a way of altering people’s behaviour in a predictable way without removing their freedom of choice.
2. Where an individuals decision making is based on ‘rules of thumb’
3. When people do what others are doing rather than using their own information to make decisions.
4. Making people ‘opt out’ is an example of this.
5. Where peoples behaviour is influenced by a belief held by groups in society.
6. How choices can be influenced by the way in which options are presented.
7. Overreliance on a single piece of information when making a decision.
8. Where individuals are influenced by the context in which a choice is presented.
9. A concept which argues that individuals place greater emphasis on avoiding losses.
10. A customer who looks for favourable restaurant reviews that reinforce their choice of restaurant would be said to have this.
11. Heuristics are
12. rules of thumb which simplify decisions
13. non random errors in thinking
14. Use of cognitive biases
15. Use of limited information to arrive at a solution
16. Bounded rationality occurs if a person
17. always make the best decision irrespective of the number of options they are faced with
18. always opts for the highest number of options available
19. makes judgements about the likelihood of events occurring based on their own experiences or memory.
20. Is able to assess all the limits of the possibilities that could occur
21. A letter from the tax department which includes a reminder that most people pay tax on time to avoid penalties is an example of
    1. Default choice
    2. herding
    3. Bounded rationality
    4. Nudging
22. Seasonal music being played in shops to remind people to purchase gifts at Christmas would be an example of
    1. Anchoring
    2. Satisficing
    3. Availability bias
    4. Priming
23. Which of the following are not nudges

1) A reminder on your annual energy statement of your energy consumption relative to national average

2) An advertising campaign about the dangers of plastic to wildlife

3) A tax single use plastic

4) A ban on the use of single use plastic bottles

1. 1,2,3,4
2. 1 and 2 only
3. 3 and 4 only
4. 1,3 and 4