

## ☑ **ORG419 A19, general information**

**Course code:** ORG419

**Course name:** Judgement and Decision Making

**Date:** October 8th 2019

**Duration:** 4 hours

**Resources allowed:** Dictionary

**Notes:**

The exam consists of questions which will be weighted according to the percentages in parentheses. Make sure you allocate sufficient time to all the questions. You may answer in Norwegian or English or both.

*If you need to draw, you might use Scantron sheets. There is one unique code for each question. Please don't use the code on this sheet.*

Good luck!

-----

The professors sometimes ask for exam answers to be used for teaching purposes, but in order for this to take place, the university needs your consent.

**Do you grant the University of Agder permission such permission?**

**Select one alternative**

- Yes
- No

**Attaching sketches to this question?**

Use the following code:

**XXXXXXXX**

# 1 ORG419 A19, Question 1

## Question 1 (15%)

What do we mean by “heuristics” and “biases”? Explain SHORTLY

- a) The representative heuristic,
- b) The availability heuristic, and
- c) The anchoring effect.

Fill in your answer here

Format ▾ | ↺ | ✎

Σ | ✖

Words: 0

**Attaching sketches to this question?**  
Use the following code:

**XXXXXXXXXX**

## 2 Question 2

### Question 2 (weight 15%)

Explain the endowment effect. How are the concepts “willingness to accept” and “willingness to pay” related to the status quo effect/endowment effect? Why is it important to be aware of this effect when we try to measure people’s valuation of, for example, clean air?

#### Fill in your answer here

Format | ↕ | ↶ | ↷ | ✎

Σ | ↕ | ✕

Words: 0

**Attaching sketches to this question?**  
Use the following code:

**XXXXXXXXXX**

### 3 Question 3

#### Question 3 (weight 15%)

- a) Explain common biases when making predictions about future feelings related to changes in health status
- b) Give an example of peak-end evaluation and duration neglect. How can peak-end evaluation cause duration neglect?

Fill in your answer here

Format | ↺ | ↻ | ✎

Σ | ✖

Words: 0

**Attaching sketches to this question?**  
Use the following code:

**XXXXXXXXXX**

## 4 Question 4

### Question 4 (weight 10%)

What is meant by the term behavioural welfare economics? Give an example of an intervention (a nudge) that is thought to enhance welfare in society.

Fill in your answer here

Format ▾ |
↻ |
|
|
|
|

Σ |
▾ |
✕

Words: 0

**Attaching sketches to this question?**  
Use the following code:

**XXXXXXXXXX**

## 5 Question 5

### Question 5 (weight 45%)

**NB!** Answer either A OR B (weight 45%). You will **NOT** get extra points for answering both!

**A: Explain** the five-step procedure for producing behavioural change described in the BASIC framework published by the OECD (2019).

**Give an example** of how the method can be used to change a problematic behaviour.

**Give two examples of each** of the ABCD of behavioural drivers, as described in the BASIC toolkit.

**OR**

**B)** The mindscape report, published by the UK Behavioural Insights team, presents a model for how to use nudging in policy making.

**What do we mean** by «nudging» and «choice architecture»?

**Explain** shortly the different building blocks for policy making outlined in the Mindscape report.

**Give an example** of how to use the model to address a behavioural problem.

### Fill in your answer here

Format ▾ | ↺ | ✎

Σ | ▾ | ✖

Words: 0

**Attaching sketches to this question?**  
Use the following code:

**XXXXXXXX**