

Behavioral Economics

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Which of the following choice procedures are consistent with properties α and β ?

- A DM assigns a utility number to each alternative and chooses the alternative with the lowest utility
- The DM ranks the alternatives according to a utility function, and in any choice set chooses the median element
- For each choice set A , the decision maker looks at a subset of the available alternatives $S(A)$ and chooses the highest utility alternative in that set: i.e.

$$C(A) = \{x \in A | u(x) \geq u(y) \forall y \in S(A)\}$$