

People Not Being Rational In Behavior Economics

People Not Being Rational In Behavior Economics - Rational behavior does not necessarily require a person to attempt to get the highest return; the optimal benefit for an individual may involve non-monetary returns and/or risk considerations. Behavioral economics draws on psychology and economics to explore why people sometimes make irrational decisions, and why and how their behavior does not follow the predictions of economic models. Standard economic theory assumes that human beings are capable of making rational decisions and that markets and institutions, in the aggregate, are healthily self-regulating. Where a consumer has to make rational choice on. This preview has intentionally blurred sections. Sign up to view the full version. People not being rational in behavior economics Consumers should have the rational choice on when it comes to their choices on the products they choose. There are way too many companies that leave their consumers...