

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted from the academic year 2015 – 2016)

SUBJECT CODE: 19EC/MC/BE33

B.A. DEGREE EXAMINATION, DECEMBER 2020
BRANCH IV - ECONOMICS

COURSE: MAJOR CORE
PAPER: BEHAVIOURAL ECONOMICS
TIME: 1 ½ HOURS

MAX. MARKS: 50

SECTION – A

(5 x 2 = 10)

ANSWER ANY 5 OUT OF 6 QUESTIONS. (50 WORDS EACH)

1. What are the two systems of human thinking that Kahneman distinguishes in his book “Thinking fast and slow”?
2. State the features of the Ultimatum Game and how is it different from the Dictator Game?
3. What is endowment effect?
4. Distinguish between internal and external validity in the context of lab and field research.
5. What is base rate fallacy?
6. Show the difference between exponential and hyperbolic discounting with the help of a diagram

SECTION – B

(2 x 10 = 20)

ANSWER ANY 2 OUT OF 3 QUESTIONS. (400 WORDS EACH)

7. State the axioms of rationality assumed by the standard model and also explain the concept of bounded rationality described by Herbert Simon.
8. Explain the phrase “Libertarian Paternalism is not an oxymoron”
9. Discuss the various types of Utility

SECTION – C

(1 x 20 = 20)

ANSWER ANY 1 OUT OF 2 QUESTIONS. (1000 WORDS EACH)

10. Give a broad overview of the Prospect theory, highlighting its most important contributions.
11. Describe in detail the three biases mentioned by Tversky and Kaheman in their original work.

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