

# Decision modeling (management decision models) 2

[Business](#), [Management](#)





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### (Management Decision Models) 2 What Munger means by mental models

According to Munger, mental models are framed as latticework that individuals must come up with in order to solve some of the challenges that come up regularly (Munger & Kaufman, 2008). People who try to remember things they learnt and apply them directly are doomed to fail. Munger suggests that people should try and base their challenges on the different experiences/disciplines, and apply them depending on what the situation demands (Labitan, 2008).

#### Other key points discussed by Munger

The different techniques of handling situations and problems/challenges should be derived from the different disciplines that are present in the education system. Looking or preferring to deal or accept only one discipline may be detrimental to an individual's worldly-wisdom (Munger & Kaufman, 2008). This is why he is against poetry professors who look at life from an unrealistic point of view. He considers them to be unwise, from a worldly point of view, which is a disastrous way to operate in the real world.

#### Why psychology is an ungodly important subject

Psychology may be the guide to understanding the manner in which things operate and function. According to Munger, it is impossible to be worldly-wise without psychology. When things happen around individuals, it is the role of psychology to help the individual identify this, and identify with the situation (Munger & Kaufman, 2008). If things are not happening, psychology also assists in enabling them to realize this, and adapt. Miscalculation can arise without the presence of psychology and this is why it is crucial to have



it as a discipline in one's arsenal (Mauboussin, 2013).

## References

Labitan, B. (2008). The four filters invention of Warren Buffett and Charlie Munger. New York: Oxford University Press.

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Munger, C. T., & Kaufman, P. D. (2008). Poor Charlie's Almanack: The wit and wisdom of Charles T. Munger. New York: American Printing Press.