

Predictably irrational critical thinking example

[Business](#), [Decision Making](#)



Introduction

The fact is all individuals are equally biased. Individuals cannot help it. They can only distinguish this innate bias and be able to counter against the same. The basis of economics provides that derivation or results and decision making needs to be supported by appropriate reason. It is dependent upon an exact consideration of something's value versus its expenses. However, life proves it to be totally wrong. Behavioral Economics shows that individuals are effectively affected by wrong information and different types of irrationality. Besides, the first year students are regularly unconscious of a drastic number of sources that impact their decision making. According to Ariely, despite of the fact that, first year students are normally unpredictable and arbitrary, such impacts and conduct are orderly (Ariely, 05).

The truth about relativity

Relativity

Ariely believes that, people seldom understand what they need or what amount needs to be paid in a given context. Therefore, they could be greatly influenced. This scenario also affects the first year students. They require friends to assist them make pertinent decisions in line with life scenarios. There are many issues that people need to consider before coming up with given decisions on some issues.

Crowding effect

According to Ariely, the first year students believe in the issues that touch on the crowd. In case the restaurant is full, they are more likely to go in

regardless of the menu. The first year students would prefer the restaurant which is full than the empty restaurant.

Make it simple

The less demanding or simpler first year students prepare something, higher are the chances other students will join in. This scenario was made clear in the book of Ariely.

The baffled decision making

The first year student, as stated by Ariely, is not confined by lack of decision making, but by compelling issues in line with the decisions made. In most aspects of life, first year students would prefer not to close alternatives down as they neglect the perspective of missing something. Specifically, they waste time settling on two pertinent decisions in case if differential mechanism is insignificant.

Costly Ownership

Fear of misfortune

People despise misfortune, so some hospitals have come up with charges that are refundable considering it occurs. The first year students also fear to lose in many scenarios that affect them. They always want to get everything, and they believe they have the ability to do so. According to Ariely, first year students hate losing. The first year students exaggerate what they have. According to Ariely, the freshmen students normally despise the worth of things they do not own. Thus, they estimate cost of misfortune to be higher than the cost of a gain. For example, at Duke University, Basket ball tournaments are intensely oversubscribed. The first year students who were

late in obtaining a ticket were questioned on the amount they might pay to get one. The first student agreed to shed \$170 (Ariely, 10). This was the double price of a ticket. However, when the students who had already ticket were asked what amount they might be ready to sell ticket. Their mean was more than fourteen times which reached a whopping \$2400.

Misfortune before ownership

According to the book of Ariel, first year students may have the feeling of possessing it even before they actually have it. For example, when they bid on ebay, they already have a feeling of ownership. However, when somebody outbids them, they develop a feeling of misfortune. Thusly, they are then ready to offer and increased amount! It is also true that, even with test subscriptions people regret losing which they do posses (Church, 78).

Price of the social norms

Social norms are greatly effective. Ariely believes that, people are regularly unconsciously determined through similar pressures.

When money is presented it modifies agreement, and regularly social norms get moved to the other side. A first year student of the Carolina University was imposed fines only because he was picked up late. Instead of enhancing punctuality lateness became predominant. There was the need for the rational before the social contract. At the point when a penalty got forced, the parents did not feel guilty because they believe they were paying for the time. Legal advisors were informed to assist poor retirees and most of them agreed. However, when others were offered a lower wage they declined the offer as they looked at the relationship in a different way.

All first year students cheat

According to Ariely, in 2004 the amount of the robberies that took place in US reached \$525m. At the mean time, the worker fraud and robbery reached \$600m. Insurance agencies appraise over \$24, 000 mn are counterfeit cases. In investigations, it's usually demonstrated that if individuals predict escaping it', they will be slanted to cheat. It creates the impression that social norms holds people responsible for their actions. This illustration can also be applied on the first year students in the Harvard University. In an analysis at Harvard, first years students participated in a maths test. Half of the students were asked to write down 10 books they had read at school while, the remaining recorded Ten Commandments. Eventually, the first group expanded their normal points to beyond 3. 1. However, the commandments group failed to increase their score rate. Supervisors put six-pack of Coke into the hostel refrigerators of MIT. They vanished from there within almost three days however a plate of dollars wasn't touched. In a similar study it was found that the first year students preferred being dishonest for tokens than money (Ariely, 13).

Money versus Motivation

Ariel believes that, money exists as the costliest approach to motivate an individual. Individuals that sustain in associations are underpaid yet they eventually become motivated when they feel their work is useful.

Progressively, the associations concentrate on specifics since they are aware that it's further viable in driving dedication, vitality, energy and duty than financial prizes. Organizations like Linux have grown through individuals investing free time. Most of the first year students also feel that, money

could motivate them in studies. They should understand that, most high scores and performance is their major motivation. One may look at the students as volunteers. They do not need money to motivate them. They can only be motivated when they score high marks. This is because they may feel that they have done something truly imperative (Barrows, 67).

The influence of arousal

Decision making

Ariely states that, motions influence the decision making of the individuals. In this way publicizing and the retail experience intend to expand the enthusiastic engagement people have to convince them to purchase. Almost nineteen sexual inclination related questions were asked to first year students. Students were so aroused. The 18% of the students drugged the women to get physical with them. However, 4% percentage of them had sex with women for love and passion.

Emotions impact beliefs

The emotional knowledge of an occasion is more viable at moving or solidifying beliefs than certainties. Therefore, as stated by Ariely, higher is the emotional dedication there for people, the less compelling are realities to affect them (Carson, 25).

The impact of desires

Desires

Individuals' desires can impact the meaning they invoke into their belief. The first year students simply are "prepared" which directs their perception. Subsequently, taste of whisky depends on the weight of the glass and is

directly proportional. During a study, blind test that took place within a scanner, there was a slight contrast between Coke and Pepsi. However, when the information related to the brand was revealed, it activated an alternate piece of the brain that is connected with memory, friendships and cognition. Afterwards, it invigorated the release of dopamine. Coca Cola made an exciting incitement of DLPFC. The drink later became the favorite of many individuals. According to Ariely, the first year students' desires should be irrational. They should be able to consider people around them before they make any decision (Coffey, 17).

Preparing

Irrelevant data can direct one's conduct - During a study some individuals were given an extent of words they needed to finish into a sentence. First group received 'aggressive', " impolite" and 'meddle'. The other groups got 'polite', " courteous" and 'touchy'. They were then sent to a purportedly second assignment in an alternate lab. At the mean time, the researcher got occupied with a discussion with another student. The students who had been set the polite words held up 9. 3 min before interfering. At the same time, the impolite word group held up for only 5. 5 min (Boroditsky, 71).

Contenting

According to Ariely, The frame around something helps impact the observation of a student on that occasion. The first year students should immediately study the environment and people around. They should know that people around are irrational. They have to adopt the environment as quick as possible so that they can fit to the community.

The power of price

And mis-interpretation

Expectations change the way people see and acknowledge experiences.

Ariely argues that, people see the value in an object on the basis of its price, higher the price more is the value. A 4000 USD television will most likely be durable than a 400 USD television. The first year students were gathered to test a painkiller named Veladrone. They were provided with a printed paper that contained painkiller's quality and reliability. It also had clinical studies exhibiting noteworthy results after only 10 minutes. The cost was \$2.50 for every dosage. The results demonstrated a huge diminishment of pain after taking Veladrone-Rx. Interestingly, after changing the price to be only 10 cents for each dose, the pain relief reduced by 50%. In another study students were sold a power beverage called Sobe. They were asked to evaluate level of fatigue post workout. The students who purchased the beverage at one-third off evaluated their weakness higher than students who had paid the full cost for it.

Conclusion

It is worth noting that there are many fallacies in people's lives, and it is necessary that the society understands how to accommodate such. A good example is the school's setting, where people meet other from diverse backgrounds. As Ariely puts it, there are many irrational considerations among people, especially in the school systems. Students tend to consider given situations without sheer apprehension or clarity. Some judgments are made from the states of not knowing, and people never accommodate feelings of the less fortunate in the society. As first year students are always

bombarded with emotional distress in line with being in a new place, the book is extremely necessary for their survival in institutions.

Works Cited

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