

As dealer to go five
hundred dollars



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As a species Homo sapiens are extremely intelligent but still have constraints on what their intelligence can do.

Humans, being prone to cognitive biases can make monumental misjudgments that have harsh consequences. Cognitive biases are errors in judgment, not lacks of logic, that are part of human nature. Humans are able to recognize their cognitive biases which separates them from other species. There are twelve very common cognitive biases.

Of the twelve very common cognitive biases there are multiple that are intertwined. A perfect example of two similar cognitive biases are confirmation bias and ingroup bias. Confirmation bias is the tendency for people to be around, favor, or accredit people who have similar viewpoints as them. Ingroup bias, quite similarly, allows people to strengthen the relationship they have with their group of friends, who most likely have alike views, while alienating and questioning outsiders of their group. Both biases make people surround themselves with those similar to them and provide the feeling that other views are not as great as theirs. With this in mind there is also the anchoring effect which loosely ties to these ideas. The anchoring effect is when people put most of their focus on certain aspects of an object, situation, or other affair depending on the original information they were given. For example, when a person goes into a car dealership and is able to get the dealer to go five hundred dollars cheaper than the original asking price they feel good about accepting the offer when they could quite still be overcharged.

The anchoring effect ties to ingroup bias and confirmation bias because all three thrive on the idea of referencing what people believe to be true, valid, or correct and basing their future decisions on these conclusions. The anchoring effect is also a bias that is experienced 'in the moment.' This means that for example when the price of the car was lowered by five hundred dollars you thought it was a good purchase but if you left and came back and the same dealer offered you one thousand dollars off the original price he asked, you would believe that the five hundred off was rip off or you would question the deal entirely.

There are many biases that when people think about become foolish. Sometimes people buy things that are totally unneeded or a waste of money and must convince themselves that it was a beneficial or okay purchase, this is called post-purchase rationalization. If the person would have took a step back and thought about what he or she was buying, they could have possibly avoided the purchase. Another bias similar to this is called gambler's fallacy. Gambler's fallacy influences people by making them believe that past events affect future ones.

A great example of this is . But if the player had just taken a moment to realise that the odds are independent of each other, they would have noticed that they still have a blank percent chance of winning and their odds have not increased. Another example of a bias that happens in the moment is the current moment bias. The current moment bias is the human want to experience pleasure now and wait the pain off as long as they can. People will tend to spend lavishly if they have the money on them however if they were to plan ahead then they would spend their money more reasonably.

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Another bias similar to these is the bandwagon effect. The bandwagon effect is human's inclination to follow the mass of people.

Human's follow trends, sports teams, or celebrities because they want to confirm, having said that people also receive their information from others and follow what they heard. If the person was to think for themselves they could end at a different result. Bandwagoning could also be due to the fact that people believe a lot of others think like them. The belief that most people think that people think the same as themselves is called the projection bias. People have a hard time imagining being someone else. People also have a hard time dealing with change. Status-quo bias is people's mindset to make choices that cause as little change as possible. There are also many biases where people get the wrong idea of what is going on, a great example of this is observational selection bias.

Observational selection bias is when people start to notice things they didn't realize before and assume that these things have increased when in reality they have not. When a person learns a new word they start to hear it everywhere but really they were used to not recognizing the word. Not only do people ignore things they also neglect things, a common bias is neglecting probability. If a person has a bias of neglecting probability then they don't realize that something they fear is less likely to happen than something more likely in their everyday activities.

The twelfth bias is negativity bias. People tend to watch unfortunate things due to their reasoning that it is more important. Negativity bias also causes

people to believe in some very inaccurate ideas, the idea that crime is getting worse be it is arguable that the exact opposite is actually happening.

These cognitive biases directly affect politics. In politics the bandwagon effect is a very important bias. It can come into play through many ways, the most common of which, in politics, is voting. In voting there tend to be polls to act as a kind of preview of the outcome.

For those who care little about what the vote pertains to will tend to vote on the winning side. This is because since the majority of the people were seen to like this person, bill, or other element being voted on the other people will start to see this thing as superior because most other people have faith in it. This can allow landslide wins, extreme changes from the poll to the official vote, or the false idea that a lot of americans have the same exact views. The bandwagon effect is not the only cognitive bias that affects voting.