

Examen Behavioral Economics – January 2015

1. What are social preferences? (1 point)
2. The paper *Decisions & Revisions* (Gilbert, Ebert, 2002) describes situations where ownership does not create satisfaction. Does this contradict the idea of the “Endowment Effect”? Why (not)? (2 points)
3. A coffee house brand uses a new style of payments: Customers pay a fixed amount per minute they spend in the shop, receiving a seemingly unlimited amount of coffee, biscuits etc. during the stay. Evidence shows that a customer on average pays less for his or her consumption at this brand compared to other coffee houses. Person X heavily opposes to the system of the brand, is he behaving rationally? Why (not)? (2 points)
4. Paper attached: *Behavioral Economics and the Retirement Savings Crisis*. Please study this paper thoroughly. Provide critical comments based on your knowledge of Behavioral Economics. (3 points)