**Chapter 12**

Multiple Choice

1. What is a pitfall to felicific calculus?

A) Humans let emotions interfere with their decision making

B) Humans are too rational to operate under this concept

\*C) It would take far too long to assign each alternative a multi-faceted value

D) Societies that do not use currency cannot operate under this concept

(Reference Page 366)

2. Behavioral economics studies:

\*A) Real-world decision making

B) Theoretical decision making

C) The stock market

D) Computational models of decision making

(Reference Page 367)

3. Why do retailers sometimes give customers only a few options?

A) Retailers know that people tend to make more expensive purchases when there are a lot of options

\*B) People tend to become overwhelmed and avoid making a decision when there are too many choices

C) Retailers know that smaller stores and less shelf-space give the impression of being local, rather than a chain retailer

D) People tend to buy in bulk when there are only a few items for sale

(Reference Page 367)

4. When are humans more likely to be risk averse?

A) When the odds of gaining are low

B) When the penalty amount is high

C) When the odds of being penalized/losing are high

\*D) All of the above

(Reference Page 368)

5. What is the framing effect?

A) People tend to make decisions based on what has happened to them in the past

B) People tend to make choices based on the expected utility of an item

\*C) People tend to change their decisions based simply on whether to not the context is in terms of gains or losses

D) People tend to change their decisions when new options are presented

 (Reference Page 369)

6. What is loss aversion?

\*A) People tend to be less willing to give up something they already own than to choose that same item in another setting

B) People tend to make choices based on what they expect to gain from the decision

C) The refusal to play the lottery

D) People are so afraid of losing that they refuse to make decisions that might involve a loss

 (Reference Page 370)

7. What is quasi-hyperbolic discounting?

A) Placing a disproportionately low value on immediate rewards

\*B) Placing a disproportionately high value on immediate rewards

C) Placing a disproportionately high value on delayed rewards

D) All of the above

 (Reference Page 370)

8. Why do humans make different choices concerning money than other items, such as food?

\*A) Money is not a primary reward, and was not in existence when our brains were more primitive

B) People value money more than food, as money can buy you whatever you like, including food

C) People actually do tend to value food over money

D) Money triggers an innate response

 (Reference Page 373)

9. When an individual makes a choice for reasons they cannot explain, and allow their emotions to be involved, they are operating under:

A) Felicific calculus

B) Utilitarianism

\*C) The intuitive system

D) Behavioral economics

(Reference Page 373)

10. Considering all of the features of an option at the same time is called:

A) Sequential processing

\*B) Parallel processing

C) Delay discounting

D) Quasi-hyperbolic discounting

(Reference Page 374)

11. The prospect of immediate reward appears to activate parts of which system?

\*A) The limbic system

B) The parasympathetic system

C) The motor system

D) The auditory system

(Reference Page 374)

12. Risk aversion seems to be correlated with activation in this area:

A) The ventral striatum

B) Ventromedial prefrontal cortex

\*C) The anterior insula

D) Medial orbitofrontal cortex

(Reference Page 376)

13. The endowment effect is associated with loss aversion because:

\*A) Loss aversion may lead to feelings of wanting to keep what you already own, even if that same item would not be that important to you if you did not own it

B) The greater your susceptibility to the endowment effect, the less you feel loss aversion

C) The endowment effect precedes loss aversion

D) The endowment affect only occurs if you have previously been tested for loss aversion

(Reference Page 377)

14. The medial prefrontal cortex is associated with the \_\_\_\_\_\_\_\_\_ of an item.

A) Desirability

\*B) Subjective value

C) Point of indifference

D) Utility

(Reference Page 377)

15. If someone asked you to choose between a bowl of chili and a slice of pizza, you would have to make a decision based on:

A) Delay discounting

\*B) Subjective value

C) Loss aversion

D) Endowment

(Reference Page 379)

16. Intertemporal choice refers to:

A) Making a decision based on perceived value

B) Choosing between two very different options

\*C) Assigning value to immediate and distant rewards

D) None of the above

(Reference Page 379)

17. The visual cortex, auditory cortex, and somatosensory cortex are all what kind of areas?

\*A) Exteroceptive

B) Utilitarian

C) Intuitive

D) Rational

(Reference Page 383)

18. In the Coke versus Pepsi experiment, which region of the brain was activated when blindly tasting the drinks?

A) The ventral striatum

\*B) The ventromedial prefrontal cortex

C) The dorsolateral prefrontal cortex

D) The anterior insula

(Reference Page 385)

19. The dorsomedial prefrontal cortex is involved in which two phenomenons?

\*A) Strategic preference switching and the framing effect

B) Intertemporal choice and loss aversion

C) Risk seeking and sequential processing

D) The endowment effect and delay discounting (Reference Page 385)

20. The supplementary motor area (SMA) activates both when an individual makes internally motivated hand movements AND when:

A) There are externally cued movements, such as raising the hand in response to a flash of light

\*B) There are internally generated suppressions of simple movements, including suppressing bladder contractions

C) Both of the above

D) Neither of the above

(Reference Page 387)

21. Dorsolateral prefrontal activity occurs when a person follows this strategy when making a moral decision:

A) For my own gain

B) Do no harm

\*C) The greatest good for the greatest number

D) None of the above

(Reference Page 388)

22. The frontopolar cortex is associated with:

A) Plan-selecting

B) Goal-tracking

C) Emotion-modulating

\*D) None of the above

(Reference Page 389)

23. If increased impulsively occurs with low serotonin levels, which of the following would be true?

\*A) Humans would opt for smaller, immediate rewards over larger, long-term rewards

B) Humans would be more susceptible to "do not harm" thinking

C) Humans would be less effected by the framing effect

D) Humans would be more loss-aversive

(Reference Page 390)

24. Individuals with attention deficit hyperactivity disorder show improved attention span and reduced hyperactivity with increased levels of which neurotransmitter?

A) GABA

\*B) Dopamine

C) Serotonin

D) Acetylcholine

(Reference Page 391)

25. The rational brain is to the emotional brain as the modern brain is to the \_\_\_\_\_\_\_\_\_\_\_ brain.

A) Conscious

B) Cognitive

\*C) Primitive

D) Young

(Reference Page 393)