

Risky Decisions

All answers should be clearly identified (i.e. which question you are responding to) and must be typed. If you choose to do this lab, please hand in a paper copy on the day of the first exam, along with your other chosen lab assignment.

Section One

Please answer all of the following questions

1. Do your results confirm the framing effect? Explain your answer.
2. Give an example of a risky decision and a riskless decision.
3. From your experience with this demonstration, suggest a way that might reduce the framing effect

Section Two

Please answer all of the following questions.

1. From the group mean percentage of times that the risky option B was chosen for the loss questions and for the gain questions, decide if the framing effect was confirmed.
2. Suggest and explain some reasons why the framing effect occurs.