

CLAIMS

1. Receipt of information makes people behave more rationally when there is uncertainty. **Chapter 2**
2. Departures from expected value are caused more by distortions of belief than distortions of valuation of monetary amounts. **Chapter 2**
3. We need symmetry of informational independence to have expected utility. **Chapter 3**
4. The way we perceive a single future payoff as of today completely characterizes the way we perceive a whole stream of future payments. **Chapter 4**
5. People become more patient as they look further in the future and also do not like fluctuations in their future income streams and this behavior can be explained by how they form their present values. **Chapter 5**
6. Most of the theories in economics assume that people behave rationally although this assumption is refuted empirically on many grounds.
7. The distinction between normative and descriptive theories is largely ignored in economics.
8. The main motivation behind behavioral axioms must be the strength of their measurability.
9. Behavioral economics is a strong bridge between the formal theoretical structure of modern economics and the real world.
10. Despite all the advances achieved in probability theory and its widespread use in education, people still have a hard time understanding what probability really means.
11. There are yet many beautiful children to be born from the marriage of mathematics and psychology.