

# End-of-chapter Questions

## Epilogue: A New Behavioral Public Sector Economics?

1.
  - a. What are some of the behavioral traits that behavioral economists have discovered over the past twenty-five years?
  - b. Why are these traits called “biases” or “mistakes” from the perspective of mainstream economics?
2. What are social preferences and what do they add to economists’ understanding of the problem of reducing tax evasion?
3.
  - a. What is a self-control problem and in what sense is it an example of inconsistent preferences?
  - b. What is an example of a self-control problem?
4. Comment on the following statement: ‘Many people’s decisions about how much to save for retirement appear to reflect both self-control problems and framing issues.’
5. Compare and contrast the view of sin taxes on cigarettes and alcohol from the perspectives of mainstream economics and behavioral economics.
6.
  - a. What are the principal mainstream criticisms of behavioral economics?
  - b. What are the perceived strengths of behavioral economics from the mainstream perspective?
  - c. Do you think that behavioral economics is likely to become the new frontier in public sector economics? Explain.