The course will deal with processes of decision making in general and managerial decisions in particular, with a focus on the behavioral aspects of those processes. It will present the normative model of decision making and theoretical frameworks explaining the behavior of decision making, justice and choice, based on cognitive, social and emotional models. It will explore phenomena and experimental findings, and will focus on the conditions under which human capabilities are not optimal from a decision maker's or social point of view. The practical implications of these findings will also be examined in the context of managerial and organizational contexts.

**Course Elements:**

- Theoretical frameworks and theoretical models in decision making.
- Irrationality and bounded rationality.
- The utility function and subjective utility.
- Reasoning vs. emotion in decision making.
- Two cognitive systems in decision making and choice: availability, heuristics, mental accounting, first, last, flip-flops, happiness – are our decisions benefiting us?
- Ownership effect and loss aversion, status quo bias.
- Dissonance, against reality thinking.
- Gaps in self-perception and others, egocentric biases.
- Decision making as the core of managerial behavior and a tool for policy formulation.

**Assignments:**

- Minimum attendance required - 70%
- Participation and class participation - 10%
- Final project - 90%
- "C" grade - 100%


ליברמן, וורדה וטברסקי (1996). חשיבה ביקורתית, שיקולים סטטיסטיים ושיפוט


