

## **BEHAVIORAL ECONOMICS: METHODS OF PSYCHOLOGY AND GAME THEORY**

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When the system moves to a new qualitative level, as a rule, various conflicts and contradictions appear, which leads to the need for a comprehensive interdisciplinary approach in the analysis and decision-making. The modern stage of economic development, called the transition to the fourth industrial revolution, is characterized by the manifestation of complex processes and unpredictable phenomena, the explanation of which within the framework of established theories cannot lead to an acceptable resolution. To what extent can the interaction of game theory and behavioral economics cope with the challenges of modern times?

Behavioral economics (BE) goes beyond economic theory, which considers humans to be reasonable and rational. PE offers new approaches and methods for solving socio-economic problems, taking into account the behavior and manifestation of human emotions.

Game theory also assumes that the parties are reasonable and rational. The study of human behavior when making decisions in situations where his personal success depends on the decisions of other actors is one of the directions of game theory, namely behavioral games.

The closest to the standard economic theory is the approach, which is based on the theory of maximizing the expected utility and the Bayesian probabilistic approach to the formation of a person's own opinions and judgments.

The well-known work of Kahneman and Tversky, "Prospect Theory in Real Life: Field Experiences," summarizes research on the phenomena of risk and uncertainty that has been carried out in various countries. Kahneman notes that the patterns described by him, identified on the basis of observed data, which are anomalous for the theory of expected utility, "but can all be explained using three simple components of the theory of prospects of the principle of avoidance of losses, the effect of reflection and non-linear estimation of probabilities - along with the assumption that people separate solutions ... from other problems with which these solutions could be grouped"[1].

### **References.**

1. Camerer C. Prospect Theory in the Wild: Evidence from the Field // Kahneman D., Tversky A. (eds.) Choices, Values, and Frames. P. 288-300.