Empirical Analysis of Behavioral Anomalies in Microeconomic Decision-Making: A Case Study in the Cognitive Dissonance Theory

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Abstract. This study delves into the intricate dynamics of cognitive dissonance within microeconomic decision-making. Utilizing a mixed-method approach combining quantitative data analysis with qualitative interviews, we examine how cognitive biases influence economic choices. Our findings reveal significant discrepancies between theoretical predictions and actual economic behavior, particularly among market participants with varying levels of risk tolerance. These insights contribute to a nuanced understanding of economic decision-making, presenting implications for economic modeling and policy formulation.

Keywords: Microeconomic Decision-Making, Cognitive Dissonance Theory, Behavioral Economics, Risk Tolerance, Economic Modelling, Market Anomalies, Quantitative Analysis, Qualitative Interviews, Economic Policy

Introduction

In the rapidly evolving world of economics, understanding the intricacies of microeconomic decision-making is more crucial than ever. In recent years, the phenomenon of cognitive dissonance has gained traction as a pivotal element affecting economic behavior. This study aims to elucidate the mechanisms through which cognitive dissonance—a psychological conflict resulting from incongruent beliefs and actions—

influences economic decisions, especially in contexts demanding immediate choice under uncertainty. The relevance of this inquiry is underscored by the increasing complexity of global markets from 2024 to 2026, where traditional economic theories often fall short of explaining observed anomalies in participant behavior. Our exploration is rooted in a robust empirical methodology, employing both quantitative data analysis and qualitative insights from participant interviews, to unravel the subtle impacts of psychological biases on economic models. The paper is systematically organized to first outline the historical context and theoretical underpinnings of cognitive dissonance in economics, followed by an in-depth exploration of our empirical findings and their broader implications for policy and practice.

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