



PART 2

Read the text below and answer questions 14–26.

THE POWER AND PERIL OF DEFAULTS, ANCHORING, AND FRAMING

A

Behavioural science is often introduced through internal mental processes—heuristics, emotions, and cognitive biases that operate inside the individual. Yet behavioural economists have also emphasised a different source of influence: the environment in which choices are presented. Decisions do not occur in a vacuum; they occur within a designed context that highlights some options, hides others, and makes certain actions easier than alternatives. This surrounding context is commonly called *choice architecture*, and three of its most potent tools are defaults, anchors, and frames. None of them removes freedom of choice, but each can redirect behaviour so reliably that the boundary between “a neutral design” and “a persuasive design” becomes difficult to locate.

B

Defaults are the options that take effect when a person does nothing. Their power is not mysterious: doing nothing is often the simplest response when life is busy, information is technical, or consequences are uncertain. People also treat the default as a recommendation, assuming that somebody—an employer, a doctor, a platform—chose it for a reason. In addition, many individuals display a *status quo* bias: they prefer to keep what is already in place, partly to avoid regret if a change turns out badly. Because of this inertia, “opt-out” policies can generate striking results in settings such as retirement savings or organ donation, where participation becomes the path of least resistance. The same logic explains why subscription services often renew automatically unless the customer actively cancels: the default quietly converts inattention into continued payment, and the design can be helpful or exploitative depending on whose interests it serves.

C

Anchoring refers to the tendency for an initial number to pull later judgments toward itself, even when the number is arbitrary. People rarely construct values from scratch; instead, they start from a given figure and adjust, but the adjustment is typically insufficient. A classic demonstration asked participants to estimate a quantity after being exposed to a random number; the “anchor” nudged estimates in its direction despite having no informational value. Outside the laboratory, anchoring shapes negotiations and pricing. A first offer that is deliberately high can make subsequent proposals seem “reasonable” by comparison, shifting the bargaining range before any evidence is considered. Retailers



exploit the same mechanism when they display a high reference price next to a sale price: the original figure acts as an anchor that makes the discount feel larger, and “value” is experienced relative to the starting point.

D

Framing, unlike anchoring, does not depend on a number. It depends on wording, emphasis, and emotional tone. Two statements can be logically equivalent yet psychologically opposite: describing a procedure as having a “90% survival rate” tends to produce different choices than describing it as having a “10% mortality rate”, even though the facts match. The effect often occurs because a frame guides attention toward either benefits or harms, safety or danger, pride or shame. Gain framing highlights what will be obtained—saving money, improving health, gaining benefits—while loss framing highlights what will be forfeited—wasting money, risking illness, losing opportunities. The persuasive force is frequently emotional: people respond not only to information but to the feeling the information produces, and that feeling can dominate careful calculation.

E

The ethical debate begins precisely because defaults, anchors, and frames work so well. Supporters of “nudges” argue that some form of choice architecture is unavoidable: any form, website, or policy must present options in some order, with some wording, and some pre-selected settings. From this perspective, it is legitimate to design contexts that steer people toward welfare-enhancing actions while preserving the ability to choose otherwise, a position often associated with *libertarian paternalism*. Critics respond that steering can become manipulation, especially when decision-makers are unaware that their preferences are being shaped. They ask who gets to define what counts as a “better” choice, and whether a nudge respects autonomy or exploits predictable weaknesses. Many ethicists propose that *transparency* is the essential dividing line: a nudge is more defensible when the influence is clear, the exit route is easy, and the intervention aligns with the chooser’s own interests rather than the designer’s profits.

F

In real life these tools rarely appear alone. A single marketing offer can combine all three: an automatically renewing subscription (default), a “normally \$99” comparison (anchor), and a message that frames the decision as either gaining benefits or avoiding a loss. When several nudges stack together, opting out can feel like work. It may require searching for cancellation buttons, reading unfamiliar terms, and resisting the pressure created by countdown timers or emotionally loaded warnings. This matters because attention is limited and confidence varies; a design that demands effort at the exact moment a person



is tired or distracted will predictably keep them in the default option. The behavioural outcome may look like “preference”, but it can also be the residue of friction.

G

As defaults, anchors, and framing spread through digital platforms and personalised advertising, the central challenge becomes governance rather than discovery. Some researchers call for pro-social design standards: default settings that genuinely protect users, price presentations that do not rely on deceptive anchors, and frames that inform rather than intimidate. In this view, the goal is not to eliminate choice architecture—because it cannot be eliminated—but to make it accountable. Clear opt-out routes, meaningful consent, and plain-language explanations can protect autonomy while still allowing beneficial nudges in complex domains. Used carefully, these psychological levers can improve welfare; used deceptively, they can undermine trust and turn everyday choice into a quiet form of coercion.

Questions 14–18

Choose the correct heading for each paragraph.

List of Headings

- i** Why pre-set options often become the preferred outcome
- ii** How presenting the same facts differently can alter decisions
- iii** A general introduction to three external influences on choice
- iv** Examples of how these methods are combined in everyday offers
- v** How an initial number can shape later judgements
- vi** Situations in which defaults provide extra protection for consumers
- vii** Arguments about whether steering choices is acceptable
- viii** Conditions under which framing effects are strongest

14 Paragraph A

15 Paragraph B

16 Paragraph C

17 Paragraph D

18 Paragraph E



Questions 19–22

Look at the following techniques and the list of applications below. Choose the correct letter, **A, B, C, D, E** or **F**.

List of Applications

- A** A website makes the cancellation button difficult to find.
- B** A website automatically renews a subscription unless the user cancels.
- C** A negotiator begins by asking for a much higher price than expected.
- D** A health poster gives a plain-language explanation of how sunscreen works.
- E** A message says, “If you don’t act now, you could lose money.”
- F** A message says, “If you act now, you will gain benefits.”

19 Gain framing

20 Defaults

21 Loss framing

22 Anchoring

Questions 23–26

Complete the sentences below. Choose **NO MORE THAN TWO WORDS** from the text for each answer.

23 Defaults, anchors and frames are described as elements of

24 People may keep the default because of bias.

25 Supporters of guiding people while preserving freedom of choice are associated with

26 One key distinction in determining whether a nudge is ethically defensible is

Answer Key

14. iii

15. i

16. v

17. ii



18. vii

19. F

20. B

21. E

22. C

23. choice architecture

24. status quo

25. libertarian paternalism

26. transparency