computer scientist and his book may have greater appeal to those with a similar interest. Buchanan is a physicist and an editor for Nature. His book contains a wider range of examples taken from the social and physical sciences. Neither book is very mathematical (although advanced treatments of the topic are so) and the exposition is clear and concise in both works. Economists and financial professionals should find these books, and the topic of networks, pregnant with modeling possibilities.

A Review of *Heuristics and Biases: The Psychology of Intuitive Judgment*

Robert A. Olsen

Heuristics and Biases: The Psychology of Intuitive Judgment, Ed. Thomas Gilovich, Dale Griffin, and Daniel Kahneman, 2002, New York: Cambridge University Press, 857 pp.

In the 1970's Daniel Kahneman, Paul Slovic and Amos Tversky introduced the "Heuristics and Biases" approach to the study of decision making. This approach served as a counterpoint to the "Rational Decision approach," then in favor, in that it formally recognized the cognitive limitations of human decision makers and did not assume that humans were logic machines, always employing formal algorithmic mental processes in the pursuit of optimization. In particular, this approach recognized that human decision makers were more often "satisficers," employing rules of thumb, and being affectively (emotionally) influenced. This more informal decision approach was hypothesized to result in generally acceptable and more timely outcomes, but at the cost of occasional and possibly, systematic, errors. This new approach has since resulted in an enormous flood of research in economics, psychology, management, law, and other related disciplines. In general, this recent research has led to superior descriptive and normative models of human decision making.

This readings book contains forty two of the most recent and significant pieces of research in the Heuristics and Biases tradition. More specifically, the book is organized into three major sections; Theoretical and Empirical Extensions, New Theoretical Directions, and Real World Applications. The topics addressed in these sections include Representativeness, Availability, Anchoring, Forecasting, ence, Optimism, Support Theory, Expert Judgment, Everyday Judgment, and Norms and Counterfactuals.

The authors have intended this book as an update and successor to the earlier, "Judgment Under Uncertainty: Heuristics and Biases" published in 1982. The book begins with a historical overview of the Heuristics and Biases program and is written such that those who are new to the area should have no difficulty following the controversy. Many of the included articles have been published elsewhere and have been edited as necessary. The book also contains an encyclopedic set of references to the decision making literature. This feature makes it extremely valuable as a reference source. In summary, this book is a "must read" for those interested in Behavioral Decision Making.