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Individual differences in causal learning and decision making

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9 Abstract

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10 In judgment and decision making tasks, people tend to neglect the overall frequency of base-rates when they estimate the probability of an event; this is known as the base-rate fal-11 12 lacy. In causal learning, despite people's accuracy at judging causal strength according to one 13 or other normative model (i.e., Power PC, ΔP), they tend to misperceive base-rate information 14 (e.g., the cause density effect). The present study investigates the relationship between causal 15 learning and decision making by asking whether people weight base-rate information in the 16 same way when estimating causal strength and when making judgments or inferences about 17 the likelihood of an event. The results suggest that people differ according to the weight they 18 place on base-rate information, but the way individuals do this is consistent across causal and 19 decision making tasks. We interpret the results as reflecting a tendency to differentially weight 20 base-rate information which generalizes to a variety of tasks. Additionally, this study provides 21 evidence that causal learning and decision making share some component processes. 22 © 2005 Published by Elsevier B.V.

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26 1. Introduction

27 There are two research domains in which people are explicitly required, on the ba-28 sis of some evidence, to evaluate the association between two events [X (cause) and Y 29 (effect)], and predict from this the likelihood of event Y given event X: causal induction and Bayesian decision making. In one, the task environment typically involves 30 31 gathering evidence on a trial by trial basis (causal induction task), that is, people 32 actually experience the relationship between the events across time. In the other, people are merely presented summarized data in the form of a one-shot problem (Bayes-33 34 ian decision making task). For both types of task, an accurate response involves 35 integrating two forms of probabilistic information: the background data (base-rate) 36 and the indicant or diagnostic information (likelihood ratio). Typically, what has been found is that people are insufficiently sensitive to base-rate information and fail 37 to adequately incorporate it in their decision making and reasoning. The aim of this 38 article is to examine what, if any, are the relations between causal induction and deci-39 40 sion making with particular emphasis on people's use of base-rate information in 41 causal and decision making tasks.

42 1.1. Causal induction

Table 1

When people are asked to judge the relationship between two binary variables, they should normatively consider four different sources of evidence, that is, the frequency with which the two variables co-occurred (Cell A), the frequency with which each variable occurred in the absence of the other (Cells B and C), and the frequency with which both were absent (Cell D). The contingency table (see Table 1) summarizes the frequencies with which the various events occur.

For example, in order to determine the extent to which one type of radiation causes butterflies to mutate, a simple way of calculating the degree of contingency between the putative cause (e.g., radiation 'X') and its effect (e.g., mutation) is to use the ΔP rule (Allan, 1980) where

$$\Delta P = p(e|c) - p(e|\neg c) \tag{1}$$

55 By examining the A and B cells of the contingency table, it is possible to determine 56 the proportion A/(A + B), which is simply the probability of the effect 'e' in the pres-57 ence of the cause 'c' expressed as p(e|c) in the ΔP rule. In contrast, $p(e|\neg c)$ refers to 58 the proportion C/(C + D), which is the probability of the effect in the absence of the

59 cause. Intuitively, we can see that the extent to which p(e|c) exceeds $p(e|\neg c)$ gives

Candidate cause	Effect		
	Present	Absent	
Present	А	В	
Present Absent	С	D	

Representation of information in a contingency table

some indication of the causal strength of the relationship between radiation and but-terfly mutation.

Alternatively, causal strength can be calculated by using the Power PC rule (e.g.,
Buehner & Cheng, 1997; Cheng, 1997):

$$P = \frac{p(e|c) - p(e|\neg c)}{1 - p(e|\neg c)}$$
(2)

This rule is an alternative normative description of causal strength that seeks to dif-67 ferentiate causation from covariation. To estimate the causal strength of a candidate 68 cause to produce an effect, the model takes into account alternative candidate causes 69 of the same effect. This is done by integrating ΔP and the base-rate of the effect 70 71 $p(e|\neg c)$. The main prediction that follows from Eq. (2) is that if two candidate 72 cause-effect pairings result in equal ΔP but different values of $p(e|\neg c)$, then the cau-73 sal judgments will be different, and these will vary in accordance with $p(e|\neg c)$: as the 74 latter increases (but is not equal to 1) so does the judged generative power of the cause. Differences between the contingency and power rule become evident once 75 76 the probability of the effect in the absence of the cause is greater than 0. In the pres-77 ent study, we do not take any position on the relative merits of these two rules or of 78 the claims each of them can make to being normative. This issue has been widely dis-79 cussed elsewhere (see Shanks, 2004, for a review).

80 Studies of causal induction suggest that people, although on the whole, good at 81 judging causal strength according to one or the other rule, tend to exhibit biased behavior when making inferences from contingency tables and in trial-by-trial learn-82 83 ing tasks (e.g., Allan & Jenkins, 1980; Smedslund, 1963; Vallée-Tourangeau, Hol-84 lingsworth, & Murphy, 1998; Ward & Jenkins, 1965). For example, studies show that people weight cell information, non-normatively, in the order A > B > C > D85 86 (Kao & Wasserman, 1992; Mandel & Lehman, 1998). Hence, people are most sensi-87 tive to variations in cell A and tend to overestimate the value of this cell, whereas they are least sensitive to variations in cell D, often underestimating its value (Arkes 88 89 & Harkness, 1983; Vallée-Tourangeau et al., 1998; Wasserman, Dorner, & Koa, 90 1990). Normatively, the cells should be weighted equally. In addition, when pre-91 sented with conditions in which the effect is equally likely in the presence or absence 92 of the cause ($\Delta P = 0$) but the overall base-rate of the effect increases, people misperceive a contingency that is not there, known as the cause density effect (Buehner, 93 94 Cheng, & Clifford, 2003; Perales & Shanks, 2003; Smedslund, 1963; Vallée-Touran-95 geau et al., 1998). This is not to say that people are unable to discriminate between 96 positive, negative, and zero correlations—they can in fact do this well (e.g., Shanks, 97 1995; Vallée-Tourangeau et al., 1998). However, in zero correlation conditions peo-98 ple fail to take sufficient account of the base-rate of the effect and so tend to overes-99 timate causal strength.

100 1.2. Bayesian decision making

101 We turn now to another type of situation in which people have to predict an out-102 come or the probability of an outcome in light of evidence, and in which they tend to

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103 show biased behavior when reasoning about base-rate information. Typically, in 104 Bayesian decision making tasks, people are asked to judge the likelihood of an event 105 having occurred or that will occur. If they respond normatively, they will integrate 106 base-rates and the likelihood ratio according to Bayes' rule. In Bayes' rule the prob-107 ability of the hypothesis tested (h) is derived by multiplying the likelihood ratio of the 108 observed datum (d) by the prior probability favoring the focal hypothesis:

$$\frac{p(h|d)}{p(\neg h|d)} = \frac{p(d|h)}{p(d|\neg h)} \times \frac{p(h)}{p(\neg h)}$$

What is summarized in the rule is that the diagnosticity of the likelihood ratio should 111 be evaluated independently of the prior odds favoring the focal hypothesis. To do 112 113 this, the rule includes three ratio terms. The far right term refers to the prior odds 114 favoring the focal hypothesis. The middle term refers to the likelihood ratio composed of the probability of the data given the focal hypothesis divided by the prob-115 116 ability of the data given its mutually exclusive component. The far left term represents the posterior odds favoring the focal hypothesis after receipt of the new 117 118 data.

119 Numerous studies show that people tend not to give responses that obey Bayes 120 rule; instead, they predominantly make two types of error. First, people routinely neglect the denominator of the likelihood ratio $p(d|\neg h)$, that is, they show a preference 121 for information in which the probability of the datum given the focal hypothesis is 122 true rather than false (Beyth-Marom & Fischhoff, 1983; Doherty, Chadwick, Gara-123 124 van, Barr, & Mynatt, 1996; Einhorn & Hogarth, 1978; Wasserman et al., 1990). To illustrate, Doherty and Mynatt (1990) presented participants with a problem in 125 which they were asked to determine whether a patient had the disease 'Digirosa'. Par-126 127 ticipants were asked to select cards which contained information that would be rel-128 evant in making their diagnosis: "% of people with Digirosa' p(h), "% of people 129 without Digirosa' $p(\neg h)$, % of people with Digirosa who have a red rash' p(d|h), 130 and "% of people without Digirosa who have a red rash" $p(d|\neg h)$. To solve the task 131 correctly, the cards p(d|h), $p(d|\neg h)$, and p(h) corresponding to the terms in the formula are required; $p(\neg h)$ is the complement of p(h) and so it is not necessary to cal-132 133 culate the posterior probability.

134 Doherty and Mynatt (1990) found that, consistent with much of the judgment lit-135 erature, few participants (11%) demonstrated an understanding of Bayesian reason-136 ing by selecting the correct information. The least popular card choices were the 137 prior probability p(h) and $p(d|\neg h)$. To evaluate a target hypothesis, alternative hypotheses must be considered, and Doherty and Mynatt proposed that participants 138 139 adopting a good hypothesis testing strategy would select the card $p(d|\neg h)$ because it 140 indicates an awareness of alternative hypotheses. A later study by Stanovich and West (1998) reported that participants choosing $p(d|\neg h)$ in Doherty and Mynatt's 141 (1990) disease problem scored higher on tests of cognitive ability and a battery of 142 143 reasoning tasks (e.g., syllogisms, conditional reasoning tasks, probability based problems) compared with those that had excluded this card from their choices. 144

The second type of error people make is to neglect or underweight base-rate information (Bar-Hillel, 1980; Doherty & Mynatt, 1990; Fischhoff & Bar-Hillel, 1984;

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147 Tversky & Kahneman, 1982). For example, in Kahneman and Tversky's (1973) clas-148 sic task participants are presented a short cover story: 85% of cabs in a particular city are green and the remainder are blue. A witness identifies a cab involved in an acci-149 150 dent as blue. Under tests, the witness correctly identifies both blue and green cabs on 151 80% of the occasions. Participants are then asked: What is the probability that the 152 cab was in fact blue? The posterior probability is in fact 0.41, however, few respond 153 with this answer, tending instead to give estimates that range between 0.70 and 0.90. 154 This highly robust finding has been taken as evidence of peoples' reliance on errone-155 ous intuitions such as the degree of correspondence between a sample and a popu-156 lation (the "representativeness" heuristic). Thus, people are sensitive to the 157 diagnosticity of the descriptions in the cover story, but disregard the fact that the dif-158 ferent sub-classes are of different sizes (e.g., 85% green cabs vs. 15% blue cabs).

159 Bar-Hillel's (1980) alternative interpretation of Kahneman and Tversky's results suggests that the fallacy is the result of misperceiving the relevance of such informa-160 161 tion. There is evidence to suggest that base-rate information can be made more rel-162 evant when framed in such a way that it has a direct causal relation to the target 163 information (Ajzen, 1977; Tversky & Kahneman, 1980). In tasks like the cab prob-164 lem base-rate information is presented as incidental to the main focus of the problem, whereas contexts that increase the causal efficacy of base-rate information 165 166 and therefore its status in the problem helps to attenuate base-rate neglect. Bar-Hillel (1980) claimed that such contexts clarify the relation between the base-rate and a 167 168 target case enabling both types of information to become integrated. Formally the 169 versions that Bar-Hillel used in her study were the same as Kahneman and Tversky's, 170 but used causal contexts. Students were presented with a cover story which discussed 171 suicide rates: A study was done on causes of suicide among young adults (aged 25-35). It was found that the percentage of suicides is three times larger among single 172 173 than married people. In this age group, 80% are married and 20% are single. In 174 one version of this task students were simply asked to estimate the likelihood of sui-175 cide in a given sub-population in which the posterior probability was 0.43. Bar-Hillel 176 found that through various modifications to the framing of this task base-rate 177 neglect could be reduced from 85% of responses to 25%. Changes to the framing included varying the base rate information and likelihood ratio. However, Bar-Hillel's 178 179 study demonstrates that it is not causality per se that reduces base-rate neglect, but 180 rather the relevancy it adds to this type of information, and so other contexts that do 181 this are also able to attenuate base-rate neglect.

182 Evidence of deviations from Bayesian reasoning, such as base-rate neglect, have 183 been the cause of much debate, raising questions about the appropriateness of tasks 184 studying people's probabilistic reasoning (Kohler, 1996) and whether people are able 185 to reason rationally (Kahneman & Tversky, 1996; Shafir, 1993). Similarly, in causal 186 induction it is unclear why people should differentially weight the cells of a contin-187 gency table. Some have argued that this in fact implies an underlying bias for posi-188 tive or confirmatory evidence (Klayman & Ha, 1987; Mandel & Lehman, 1998). 189 However, others suggest that the biases that have been found are inflated by the par-190 ticular choice of framing in which a task is couched or the phrasing of causal ques6

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191 tions, rather than being an unavoidable property of people's causal judgments (e.g., Beyth-Marom, 1982; Crocker, 1981; Perales & Shanks, 2003; Vallée-Tourangeau 192 et al., 1998; Waldmann, 2001; White, 2003). These mixed findings can also be seen 193 194 as representing a broader controversy between prescriptive (or normative) and 195 descriptive explanations of non-normative behavior. That is, are deviations from 196 normative models (e.g., Bayes rule, ΔP rule, Power PC model) examples of biased 197 information processing behavior, or the product of a cognitive system with limited 198 computational capacity?

199 Stanovich and West's (2000) work on individual differences attempts to answer 200 this question. They showed that people's performance deviates systematically from 201 that which is prescribed by normative models (i.e., logic, probability calculus, expected utility theory). They proposed that the underlying basis for these deviations 202 203 has strong implications for the way in which the relationship between descriptive and normative models is understood. One is that there are instances in which peo-204 ple's behavior is far from optimal, and that poor performance on reasoning tasks 205 206 provides evidence of irrational tendencies inherent in human behavior (e.g., Nisbett 207 & Ross, 1993; Tversky & Kahneman, 1974). Alternatively, individuals may simply 208 fail to perform well because of cognitive constraints such as resource limitations 209 of the human cognitive apparatus (e.g., Baron, 1985; Oaksford & Chater, 1993). Fi-210 nally, individuals' performance might be consistent with a different normative model 211 to that prescribed by the experimenter (e.g., Kohler, 1996), or the normative model 212 used to assess responses to a particular task might be inappropriately applied (e.g., 213 Hilton, 1995; Schwarz, 1996).

Like Stanovich and West, we also emphasize the relevance of individual differences in relation to causal induction and Bayesian decision making by exploring the possible connection between people's use of base-rate information in both domains. The evidence of non-normative behavior in both research domains suggests that people encounter problems in tasks where they should incorporate base-rate information and that, particularly in decision making tasks, individuals vary according to whether or not they integrate such information.

221 Thus far, there has, to our knowledge, been no empirical work that compares cau-222 sal contingency judgments with responses to decision making tasks. However, one 223 connection between causal learning and decision making that has been explored is in the context of discounting (Kelley, 1973; Morris & Larrick, 1995; Oppenheimer, 224 2004; Reeder, Vonk, Ronk, Ham, & Lawrence, 2004) which refers to the phenome-225 226 non in which people show biased behavior when making a causal attribution in light 227 of new information. Despite the fact that this work is based on the discounting prin-228 ciple and its common application in causal and decision making domains, there is no 229 empirical comparison of how people use this principle in each of the domains.

In the present study, we investigated whether there are individual differences in the use of base-rate information in causal learning and how these relate to the use of base-rate information in Bayesian decision making. We used a causal learning task which is a modified version of a task described by Shanks (2004) and standard Bayesian decision making tasks: two probabilistic estimation problems (Kahneman

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and Tversky's Cab problem, causal and non-causal versions), and two base-rate
inference tasks (Doherty and Mynatt's Disease problem, causal and non-causal
versions).

238 The first objective of this study was to identify patterns in the causal judgments 239 people gave in the four conditions of the causal learning task. This was based on 240 the extent to which judgments were influenced by base-rate information [i.e., the 241 probability of the effect in the absence of the cause, $p(e|\neg c)$]; the precise details of 242 the procedure used are presented below in the results section headed 'weightings 243 of causal judgments'. From this, the second objective was to examine whether par-244 ticipants who incorporated base-rate information into their probabilistic estimates, or who made inferences that involved base-rate information, also gave causal judg-245 246 ments that reflect a greater influence of $p(e|\neg c)$. Conversely, participants who gave probabilistic estimates that suggested base-rate neglect and who drew inferences in 247 which the base-rate information was ignored were, in turn, expected to give causal 248 249 judgments that indicated that they had not been influenced by this information when 250 making estimates of causal covariation. Finally, the inclusion of causal and non-251 causal versions of typical decision making tasks enables a further hypothesis to be 252 tested. Bar-Hillel (1980) claimed that causal versions of decision making tasks such as those devised by Kahneman and Tversky can facilitate performance, as compared 253 254 with standard non-causal versions, and we aimed to test this conjecture.

255 2. Method

256 2.1. Participants and apparatus

257 Fifty-two students from University College London volunteered to take part in 258 the experiment and were paid $\pounds 5$ for their involvement. Of the students that took 259 part, fifteen were first year undergraduates studying psychology, and each was 260 screened for prior experience with the tests included in the study. Participants were tested individually and were presented with the causal learning task first, which was 261 run on Dell Optiplex computers. The experimental programme used was adapted 262 263 from studies described in Shanks (2004) and was written in Visual Basic 6.0. 264 Although, we did not counterbalance the order of presentation of the causal and 265 decision making tasks, the requirements and context of the learning task were sufficiently different from the paper and pencil tasks for this not to be a serious concern. 266 267 However, the order of presentation of the four remaining paper and pencil decision 268 making tasks was randomized for each participant because the structure of the tasks 269 was similar.

270 2.2. Design and procedure

The causal learning task included four conditions (1–4) each of which was 80 trials long (see Table 2). In the second and third column of Table 2, are two numbers, ARTICLE IN PRESS

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Table 2

Cell frequencies, contingency (ΔP), power (P) and values of p(e|c) and $p(e|\neg c)$ in each condition

Condition	Model		Cell frequencies			Model term		
	ΔP	Р	A	В	С	D	p(e c)	$p(e \neg c)$
1. Low ΔP , high P	0.35	0.78	36	4	22	18	0.9	0.55
2. Low ΔP , low P	0.35	0.35	14	26	0	40	0.35	0.0
3. High ΔP , high P	0.70	0.78	32	8	4	36	0.8	0.1
4. Low ΔP , high P	0.35	0.78	36	4	22	18	0.9	0.55

the first of these referring to the value of ΔP and the second to the value of the power 273 274 measure P. Presented in the two rightmost columns are the values of p(e|c) and 275 $p(e|\neg c)$, respectively, which are based on the cell frequencies in Columns 4–7, and 276 which were used to calculate ΔP and P. In conditions 1 and 4 the cell frequencies 277 were exactly the same and they were used to generate a low value for ΔP and a high 278 value for *P*. The rationale for incorporating two identical conditions was to examine 279 the consistency of people's causal judgments. In the remaining two conditions the 280 values of ΔP and P were similar; in condition 2, ΔP and P were low, and in condition 281 3 they were both high. Varying the values of ΔP and P in the four conditions allowed 282 us to estimate base-rate usage for each participant via a method which will be described shortly. Participants were presented all four conditions, but the order of pre-283 284 sentation of the conditions was counterbalanced across participants according to a 285 Latin square design.

286 In the initial phase participants were presented with a set of instructions (see 287 Appendix A: Causal learning instructions) along with five practice trials. In each 288 trial participants were presented with a graphic image denoting the presence or ab-289 sence of radiation, after which they would respond using mouse activated buttons either "YES, the mutation is going to occur", or "NO, the mutation is not going to 290 291 occur". An image of a mutated or non-mutated butterfly then appeared together 292 with the word "Yes" or "No" indicating its actual state. After 40 and 80 trials par-293 ticipants were asked "To what extent does radiation cause mutation?" Responses to this question were given on a 0-100 scale, the extreme ends of which were labeled 294 "Radiation does not cause mutation" and "Radiation causes mutation" with the 295 center point being labeled "Radiation is a moderate cause of mutation". In addi-296 tion, participants were asked to give a confidence rating of their judgment on a 297 298 scale ranging from "Not at all confident" to "Mildly confident" to "Very 299 confident".

300 2.3. Weightings of causal judgments

To examine the relationship between judgments of causal strength and judgments in the four decision making tasks, we weighted the power PC model and the ΔP model, and participants' mean weights from each model were then correlated with performance in the decision making tasks.

9

The procedure used is as follows. In the case of the ΔP model, for each condition¹ 306 [1 (low ΔP), 3 (high ΔP), and 4 (low ΔP)] we added a weight ranging between 0 and 1 307 (in increments of 0.05) to the value of $p(e|\neg c)$, and calculated a new value of ΔP 308 according to the equation:

$$\Delta P = p(e|c) - wp(e|\neg c) \tag{3}$$

For example, in condition 1 (low ΔP) the value of $p(e|\neg c)$ is 0.55 (see Table 2), hence 312 a weight of 0 changed the value of ΔP to 0.9 while a weight of 1 changed it to 0.35. If 313 314 a participant gave a judgment of 90 in condition 1 (low ΔP), then their weighting of 315 $p(e|\neg c)$ would be 0. For each participant the judgment they gave for condition 1(low 316 ΔP) was compared with the range of predicted judgments for that condition according to Eq. (3). An optimal weight was selected that minimized the discrepancy be-317 tween their judgment and the prediction of Eq. (3). The same procedure was then 318 repeated for judgments in conditions 3 (high ΔP) and 4 (low ΔP). Thus, each partic-319 ipant was assigned an optimal weight for each of the three conditions, and these 320 321 weights were then averaged to give a final minimized absolute weight which was used 322 in later analyses as an estimate of base-rate sensitivity.

To find the weightings of participants' judgments in the three conditions [1(high P), 3 (high P), and 4 (high P)] according to the PC model, we used the following equation:

$$P = \frac{p(e|c) - wp(e|\neg c)}{1 - wp(e|\neg c)} \tag{4}$$

329 Using the same procedure as that used for comparing judgments according to 330 weighted ΔP , each participant's judgments were compared with weighted P to find 331 the closest fit between actual and predicted judgments. Each participant's three 332 weights corresponding to the three conditions were again averaged to give a final 333 minimized absolute weight which was also used in later analyses.

In the causal learning task, we included a condition [condition 2 (low ΔP /low P)] in which the value of $p(e|\neg c)$ is equal to 0 (see Table 2); adding weights to $p(e|\neg c)$ in condition 2 (low ΔP /high P) does not change the value of ΔP or P. Therefore, the reason, we included condition 2 was to permit an estimate of the weighting of p(e|c) which we predicted would not correlate with base-rate usage in the decision making tasks.

Specifically, we conducted a similar procedure as described above using weighted ΔP and P, but this time p(e|c) was weighted. The minimized absolute weights from these calculations were also used as a control in later analyses when correlating responses from decision making tasks with the causal learning task. In order to demonstrate a genuine relationship between individuals' usage of base-rate information in decision making and causal learning tasks, we would not expect to find correlations between responses to decision making tasks and weights associated with p(e|c).

¹ Condition 2 was not included because the actual value of $p(e|\neg c)$ for both models equalled 0, and so it is meaningless to ask how participants weighted base-rate information in this condition; however, we did include this condition in a different analysis discussed later in this section.

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347 One might ask why we do not predict that weightings of p(e|c) (according to either normative model) should correspond with responses in decision making tasks; for 348 349 instance, the p(d|h) option in the probability inference problems is equivalent to 350 p(e|c). Predicting a correspondence between p(e|c) and responses to decision making 351 task rests on the assumption that people fully incorporate base-rate information but vary according to the extent they weight p(e|c). This is at odds with evidence showing 352 353 that people actually vary according to the extent that they neglect base-rate information (e.g., Bar-Hillel, 1980; Doherty & Mynatt, 1990; Fischhoff & Bar-Hillel, 1984; 354 355 Tversky & Kahneman, 1982). It is for this reason, that we only predict a correspon-356 dence between the weighting of $p(e|\neg c)$ in both causal models and performance in 357 the decision making tasks.

Thus for each participant an optimal weight was computed so as to minimize the discrepancy between judgments and the predictions of Eq. (3), and this procedure was then repeated with Eq. (4). Finally, weights were calculated again according to these equations, but with weightings on p(e|c) rather than $p(e|\neg c)$. The four minimized absolute weights were used in later correlation analyses with responses from the decision making tasks.

364 2.4. Decision making tasks

365 Participants were given a booklet with four decision making tasks. Although no 366 time restrictions were imposed, participants were told not to spend too long on each task; the mean time spent on each task was approximately 2 min. Each of the two 367 368 sets of tasks (probability estimates, probability inference) included a non-causal 369 and causal version. The original instructions from Kahneman and Tversky's (1973) non-causal and Bar-Hillel's (1980) causal problem were used for the probabil-370 ity estimate tasks (see Appendix A: Probability estimate problems). In both tasks 371 372 probability estimates were given on a scale between 0 and 100. Doherty and Mynatt's (1990) causal base-rate inference task was used along with a non-causal version (see 373 374 Appendix A: Probability inference problems).

375 3. Results

376 3.1. Causal learning task: causal judgments

Starting with the judgment data first, Fig. 1 presents the mean ratings for each condition after 40 and 80 trials, and indicates that judgments did not change between these stages. This trend was confirmed using an ANOVA with condition (conditions 1-4) × block (40, 80 trials) as within-subject factors, which revealed no significant main effect of block and no block × condition interaction, F < 1.

All remaining analyses of judgment data are based on the average of the ratings given after 40 and 80 trials. A one-way ANOVA indicated that there was a highly significant difference between judgments in the four conditions, F(3, 204) = 40.84, M. Osman, D.R. Shanks / Acta Psychologica xxx (2005) xxx-xxx

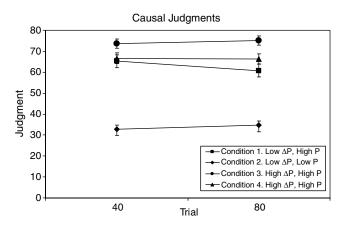


Fig. 1. Mean causal judgments (\pm SE) at both judgment periods for each condition in the causal learning task.

385 p < 0.0005. Paired sample *t*-tests revealed that there were significant differences in 386 judgments between each pair of conditions (p < 0.05), with the exception of condi-387 tions 1 (low ΔP /high *P*) and 4 (low ΔP /high *P*) which are identical (t < 1). These find-388 ings are consistent with those from experiments described by Shanks (2004) on which 389 this task was based.

390 3.2. Causal learning task: confidence ratings

Fig. 2 presents the mean confidence ratings for each condition after 40 and 80 trials and shows that these ratings did not change between these blocks. A one-way ANOVA comparing confidence ratings in the final trial block for each condition revealed no significant difference in ratings between the four conditions, F(3, 204) =1.32, p = 0.27.

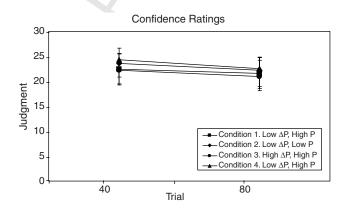


Fig. 2. Mean confidence ratings (±SE) at both judgment periods for each condition in the learning task.

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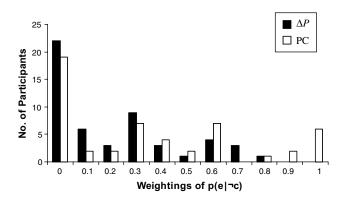


Fig. 3. Frequency of weightings of $p(e|\neg c)$ averaged across conditions 1, 3 and 4 for the Power PC and ΔP models.

396 3.3. Weightings

Fig. 3 presents the frequency of participants' final minimized absolute weighting of $p(e|\neg c)$ according to the ΔP and Power PC models.

For both of the models, a weight of 1 indicates that participants are consistent with the (unweighted) normative model. The figure also shows that most participants deviated from the normative models showing a tendency to underweight $p(e|\neg c)$. Fig. 3 suggests that the distribution of weights differed between the models, with weightings according to the ΔP model skewed towards the lower end of the scale. A Wilcoxon signed ranks test revealed a significant difference between the absolute weightings of the ΔP and PC models, t(51) = 5.67, p < 0.0005.

406 3.4. Decision making tasks: probability estimate problems

407 Participants performed poorly in both the Cab and Suicide problems, with only 21% of participants giving correct estimates of 41 (+/-10) in the cab problem, and 408 13% estimating 43 (+/-10) in the suicide problem. Thus, the causally framed version 409 410 did not attenuate base-rate neglect. The modal estimate (80) given by 35% of partic-411 ipants in response to the cab problem was consistent with that reported in Kahneman 412 and Tversky's (1973) original study. For the suicide problem the modal estimate was 75 and was made by 33% of participants, consistent with Bar-Hillel's (1980) study. 413 414 A correlation analysis between estimates given in both tasks revealed a significant 415 relationship, suggesting that participants responded similarly to them, r(52) = 0.41, p < 0.005. Participants' estimates from the cab and suicide problems were then cor-416 417 related with their weights in the causal learning task. The analysis revealed that esti-418 mates according to weighted ΔP correlated positively with actual estimates in the suicide problem, r(52) = 0.28, p = 0.046. No other correlations between probability 419 estimates and weights estimated from power approached significance. As expected, 420 421 there were no correlations between probability estimates and weights assigned to 422 p(e|c).

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423 3.5. Decision making tasks: probability inference problem

424 Participants tended to perform poorly in both inference tasks, with only 6% of par-425 ticipants choosing the correct card combination $[p(h), p(d|h), p(d|\neg h)]$ in the non-causal bird problem, and only 10% responding correctly in the causal disease problem. 426 427 This also suggests that, as with the probability estimate tasks, the causal version did not facilitate correct performance. However, in contrast to the probability estimate 428 429 tasks, the modal response in the two inference tasks differed. In the non-causal problem, approximately half (52%) of the participants chose the combination p(h) and 430 431 p(d|h), while the next most popular response was the selection of p(d|h) made by 14% of participants, followed by p(d|h) and $p(d|\neg h)$ which was made by 12% of partic-432 433 ipants. Choices in the causal version converged with those reported by Stanovich and West (1998) and Doherty and Mynatt (1990). The modal response in the causally 434 framed disease problem was p(d|h) and $p(d|\neg h)$ and this accounted for 44% of partic-435 ipants' choices in the present study (cf. 36% of Stanovich and West's sample and 30% of 436 437 Doherty and Mynatt's). The second most frequent choice was p(d|h) made by 19% of 438 participants, followed by p(h) and $p(d|\neg h)$ made by 11.5% of participants. To better 439 illustrate the difference in card choices between the two inference tasks, Table 3 shows, 440 for each of the three key cards p(h), p(d|h) and $p(d|\neg h)$, the proportion of participants 441 who responded with a card combination that included that card. 442 The most striking trend suggested in Table 3 is the sharp increase in the choice of 443 base-rate p(h) information in the non-causal problem compared with the causal 444 problem, and the decrease in the inclusion of the p(d|h) card in the non-causal ver-445 sion. There is little to distinguish these tasks with the exception of the actual context, 446 and this suggests that the context did have a dramatic effect on the way base-rate information was perceived. A simple scoring scheme was used to classify card selec-447 448 tion: for each of the cards p(h), p(d|h), $p(d|\neg h)$ participants scored '1' for its selection 449 and '0' for its exclusion, and from this, we examined patterns in the card choices made in both inference tasks. Because the variables are binary, we use a φ (phi) coef-450 451 ficient which is equivalent to Pearson's R but is the appropriate correlation coeffi-452 cient for dichotomous variables. The φ coefficient revealed a significant negative correlation between the selection of the p(h) card in the two tasks, $\varphi(1) = -0.36$, 453 454 p < 0.0005, and a positive correlation between the selection of the p(d|-h) card,

455 $\varphi(1) = 0.34, p < 0.0005.$

The scores based on card choices in both inference tasks were correlated with participants' weights in the causal learning task. A significant relationship was found be-

458 tween selection of the $p(d|\neg h)$ card in the inference tasks and causal estimates when

Table 3

Percentage of the sample in each of the probability inference tasks that included p(h), $p(\neg h)$, p(d/h), and $p(d/\neg h)$ in their choices

Options	p(h)	$p(\neg h)$	p(d/h)	$p(d/\neg h)$
Disease	28.8	9.6	88.8	69.2
Bird	65.4	0	78.8	34.6

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 $p(e|\neg c)$ was weighted in both the ΔP and P models. Specifically, there was a strong 459 positive correlation between ΔP and the selection of the $p(d|\neg h)$ card in the disease 460 problem, r(52) = 0.38, p = 0.006, and ΔP and the selection of the $p(d|\neg h)$ card in the 461 462 bird problem, r(52) = 0.30, p = 0.03. There was also a strong positive correlation be-463 tween P and the selection of the $p(d|\neg h)$ card in the bird problem, r(52) = 0.37, p = 0.007, and between P and the selection of the $p(d|\neg h)$ card in the disease prob-464 465 lem, r(52) = 0.29, p = 0.04. No correlations were found between card choices and 466 p(e|c) weights.

467 Overall, our analyses suggest that participants' weighting of base-rate information 468 is consistent across causal learning and decision making tasks; thus, we were able to 469 demonstrate an underlying relationship between these domains, which until now had 470 remained unexplored.

471 **4. General discussion**

472 The evidence from this study can be summarized as follows: first, we found that 473 individuals differ according to the way they weight base-rate information in a causal 474 learning task and that the way they do this corresponds to performance in decision 475 making tasks. Second, as a control we demonstrated that only the weighting of $p(e|\neg c)$ in both models corresponded to performance in the decision making tasks, 476 and not the weighting of p(e|c). Third, weighting ΔP corresponded more closely to 477 participants' performance in the decision making tasks than Power PC. Fourth, deci-478 479 sion making tasks that were framed in a causal context did not facilitate correct per-480 formance as compared with standard non-causal versions.

So, what does the evidence imply about peoples' ability to use base rates in gen-481 482 eral? To begin, we must stress that this study is exploratory in nature, and as such, 483 the conclusions are drawn with some caution. However, we were able to show that 484 people consistently varied in their use of base-rate information across causal learning 485 and decision making tasks. We are, however, tentative in suggesting that the tasks used in the present study index peoples' general ability to use base-rate information, 486 since there are issues surrounding the framings of the classic Bayesian decision mak-487 488 ing tasks used here (e.g., Kohler, 1996; Maachi, 1995). This is clearly illustrated by 489 comparing the modal responses to the probability inference tasks, in which the underlying structure of the tasks were identical, and only the context they referred 490 491 to differed. Although framed in a causal context, there was more evidence of baserate neglect in the Disease problem as compared with the Bird problem. This is at 492 odds with Bar-Hillel's (1980) claim that framing standard decision making tasks in 493 494 causal contexts can help to overcome base-rate neglect. However, Bar-Hillel 495 (1980) also claimed that people's inability to integrate base-rate information is 496 apparent in tasks where the indicant and base-rate information is not made relevant to the reasoner, and causal contexts are only one example in which their relevancy 497 can be increased. Consistent with this, we were able to show that in a non-causal 498 framing of a probability inference task in which the indicant and base-rate informa-499 tion were made relevant, base-rate neglect was attenuated. 500

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501 The evidence from this study suggests that people may in fact be performing opti-502 mally according to their understanding of decision making tasks, or given the cogni-503 tive limitations under which they are working. Moreover, recent research on causal 504 induction also shows that, in this case, the framing of the question used to elicit cau-505 sal judgments can have marked affects on the types of responses given (e.g., Buehner et al., 2003; Shanks, 2004). Therefore, the evidence from the present study can also 506 507 be viewed in the context of the three departures from normative standards identified 508 by Stanovich and West (2000). We are inclined towards the position that given the 509 potential ambiguity of the framing of many of the tasks used in this study, the find-510 ings suggest that people vary in their construal of the task requirements and the way 511 in which they weight base-rate information, but they are consistent as to how they 512 use this information across different task domains.

513 We also demonstrated that weightings of participants' causal judgments according to the ΔP model more accurately tracked their use of base-rate information in deci-514 sion making tasks compared with the PC model. The evidence showed that absolute 515 516 weightings of $p(e|\neg c)$ according to the ΔP model were lower than the PC model, sug-517 gesting that base-rates were undervalued consistent with the findings from the deci-518 sion making tasks. The ΔP model is an expression of covariation whereas the PC 519 model normalizes ΔP by the base-rate of the effect to express causation. Because 520 of the normalization procedure, the PC model restricts the range of values between 521 P (when $p(e|\neg c)$ has a weight of 1) and p(e|c) (when $p(e|\neg c)$ has a weight of 0). For 522 example, in conditions 1 and 4, when w = 1 for $p(e|\neg c)$ the value of P = 0.78 and 523 $\Delta P = 0.35$ and when w = 0 for $p(e|\neg c)$ the value of P = 0.90 and $\Delta P = 0.90$. Thus, 524 according to the weighting of $p(e|\neg c)$ of the ΔP model the range of values it accom-525 modates is wider and so it is more sensitive than the PC model to the range of weigh-526 tings of base-rate information in causal and decision making tasks. Another possible 527 reason for the better tracking of the ΔP model to decision making behavior is that it 528 might more accurately reflect the process of human covariation judgment than the 529 PC model. There has been extensive debate about the relative merits of these models. 530 Although arguments can be presented favoring each, there are good reasons to ques-531 tion the empirical and theoretical status of the PC model (Perales & Shanks, 2003; Shanks, 2004; see Buehner et al., 2003, for a contrasting view). 532

533 4.1. Future directions

534 The evidence from this study strongly suggests that Tbase-rate information in a 535 cause-effect learning task and decision making problems is treated in the same way. 536 Currently, Bayesian reasoning is coming to the fore in research on causal structure 537 learning in which there are multiple cause-effect relationships (e.g., is insomnia the cause of stress and depression or is depression a common effect of stress and insom-538 539 nia?) (Cooper & Herskovits, 1992; Steyvers, Tenenbaum, Wagenmakers, & Blum, 540 2003; Tenenbaum & Griffiths, 2001). Formal models (Pearl, 2000; Spirtes, Glymour, 541 & Scheines, 2000) have been developed to capture the probabilistic dependencies pres-542 ent in a set of data and their relation to causal structures that could have generated

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543 that data. Many recent studies show that people generally take advantage of information about causal structure when making probability estimations or causal strength 544 judgments (Waldmann & Hagmayer, 2001). Moreover, they benefit most by making 545 546 interventions that disrupt causal chains rather than passively observing trials in which 547 information about different causal structures is presented (Lagnado & Sloman, 2004). Like the evidence reported in this study, there is evidence to suggest that Bayesian 548 549 reasoning is incorporated in causal structure learning and that people differ in the 550 way they do this. For example, Steyvers et al. (2003) recently presented an account 551 of peoples' inferences of causal structure from a Bayesian perspective. They propose 552 that as Bayesian hypothesis testers, people have a set of possible causal models to 553 explain a particular observation in the world and that depending on their prior 554 knowledge or particular biases they have, they evaluate relevant hypotheses for the one that best explains the observed data. From this they can make inferences 555 556 about the causal structure and where best to alter some aspect of the structure in order to understand the cause-effect links. In their study they report three different 557 strategies that people used when learning to discriminate between two causal struc-558 559 tures. Those that used a strategy that integrated information across trials reliably 560 made the optimal decision as dictated by the likelihood ratio. The next best were 561 'one trial Bayesians' because, although sensitive to the likelihood ratio, they failed 562 to integrate information across trials. The worst performers failed to give judgments 563 consistent with the likelihood ratio or examining data across trials. The findings give 564 some indication of the variability of peoples' Bayesian reasoning in a causal inference task, but in particular, this evidence suggests that for some, the kinds of heuristics or 565 566 deliberative Bayesian strategies that they employ come surprisingly close to those of 567 a rational statistical inference model.

Given the strong Bayesian reasoning component that is implicated in learning about causal structures discussed here, it is plausible that the different kinds of strategies that people develop in complex cause–effect learning tasks should also correspond to their behavior in single cause-event learning tasks and decision making tasks. One possibility then, following the findings of the present study, would be to investigate whether people are consistent in the way they weight base-rate information across causal structure learning, single cause–effect learning tasks, and decision making tasks.

575 In conclusion, this study examined reasoning across related cognitive domains 576 and has provided evidence that people vary as to how they weight the probability 577 of the effect in the absence of the cause in a causal learning task, and that this is also 578 indicative of the way in which they make probability estimates and inferences from 579 Bayesian decision making tasks.

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586 Appendix A

587 Causal learning instructions

588 Imagine you are working in a laboratory and you want to find out whether certain 589 types of radiation cause or prevent a specific genetic mutation in butterflies' DNA. During this task you will see laboratory records from four studies. In each study, 590 591 you will see information about administering one type of radiation to one species 592 of insect. In one study, Gonepteryx Formosana were irradiated with U256 nuclear 593 radiation, Ixias Pyrene were irradiated with P290, in a third Catopsilia Scylla were 594 irradiated with Z210, and in a forth study Callithea Leprieuri were irradiated with 595 N235. In each study, some butterflies received nuclear radiation and some did not. In 596 a test given 5 min later, the butterflies were examined for a specific genetic mutation 597 at a particular DNA locus. Of course, mutations sometimes occur spontaneously in 598 insects not exposed to nuclear radiation. What you must decide is whether and how 599 strongly the radiation can independently cause this particular mutation. There are 80 600 butterflies in each study. The likelihood that mutations occur on their own (without radiation) is the same in all 80 butterflies in each study. Half of the butterflies in each 601 study were randomly assigned to a group receiving nuclear radiation and half to a 602 603 group not receiving any radiation. Each record tells you whether the butterfly was 604 exposed to the relevant nuclear radiation or not. You will then be asked to predict 605 whether or not the butterflies' DNA will show a genetic mutation in the test given 606 5 min later. When you have made your prediction you will be told whether the mutation was found or not. Use this feedback to try to find out whether the radiation 607 really causes mutations. Although initially you will have to guess, by the end you will 608 be an expert! At regular intervals during each study you will be asked to estimate the 609 610 degree to which the radiation causes mutations, and to state how confident you are in your estimate. Further instructions will explain at the appropriate time how to 611 612 make these estimates. You can now try some practice trials. GOOD LUCK!

- 613 Probability estimate problems
- 614 *Cab problem*

A cab was involved in a hit and run accident at night. Two cab companies, the Green and the Blue, operate in the city. You are given the following data:

617 (a) Although the two companies are roughly equal in size, 85% of the cabs accidents in the city involve Green cabs and 15% involve Blue cabs.

(b) A witness identified the cab as Blue. The court tested the reliability of the witness under the same circumstances that existed on the night of the accident and concluded that the witness correctly identified each one of the two colours 80% of the time and failed 20% of the time.

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- What is the probability that the cab involved in the accident was Blue rather than Green?
- 627 Please write your probability estimate in the box below
- 628 Estimate between 0% and 100%
- 629 Suicide problem
- 630 A study was done on causes of suicide among young adults (aged 25–35). It was
- 631 found that the percentage of suicides is three times larger among single people than
- 632 among married people. In this age group, 80% are married and 20% are single.
- 633 Of 100 cases of suicide among people aged 25–35, how many of the people would
- 634 you estimate were single?
- 635 Please write your estimate in the box below
- 636 Estimate between 0% and 100%
- 637 Bare-rate inference problems
- 638 Disease problem
- 639 Imagine you are a doctor. A patient comes to you with a red rash on his fingers.
- 640 What information would you want in order to diagnose whether the patient had the 641 disease "Digirosa"?
- 642 Below are four pieces of information that may or may not be relevant to the 643 diagnosis.
- Please indicate by ticking the boxes below the piece/pieces of information that are necessary to make the diagnosis, but <u>only</u> tick information that is necessary to do so.
- 646 1. Percentage of people without Digirosa who have a red rash.
- 647 2. Percentage of people with Digirosa.
- 648 3. Percentage of people without Digirosa.
- 649 4. Percentage of people with Digirosa who have a red rash.
- 650

651 Bird problem

You are a bird watcher and have found a nest with pink speckled eggs. You are trying to find out whether they belong to the Blue Bellied Chaffinch. You need to consult your pocket guidebook to help you make the classification that the eggs do belong to the Blue Bellied Chaffinch. Below are four pieces of information that may or may not be relevant to make your classification. Please tick the piece/pieces of information that are necessary to make your classification, but <u>only</u> tick information that is necessary to do so.

- 659 1. Percentage of Blue Bellied Chaffinch without pink speckled eggs.
- 660 2. Percentage of Blue Bellied Chaffinch with pink speckled eggs.
- 66₹ 3. Percentage of Blue Bellied Chaffinch in the area.
- 662 4. Percentage of Blue Bellied Chaffinch not in the area.

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