

Contents

.....

PART I. PERSONAL CAPITAL

1. Preferences and Values 3

2. De Gustibus Non Est Disputandum 24

3. A Theory of Rational Addiction 50

4. Rational Addiction and the Effect of Price on Consumption 77

5. An Empirical Analysis of Cigarette Addiction 85

6. Habits, Addictions, and Traditions 118

PART II. SOCIAL CAPITAL

7. The Economic Way of Looking at Life 139

8. A Theory of Social Interactions 162

9. A Note on Restaurant Pricing and Other Examples
of Social Influences on Price 195

10. A Simple Theory of Advertising as a Good or Bad 203

11. Norms and the Formation of Preferences 225

12. Spouses and Beggars: Love and Sympathy 231

Acknowledgments 241

References 245

Index 259

