

One common cause of problems in decision-making is over-optimism. Ask most people about the future, and they will see too much blue sky ahead, even if past experience suggests otherwise. Surveys have shown that people's forecasts of future stock market movements are far more optimistic than past long-term returns would **justify**. The same goes for their hopes of ever-rising prices for their homes or doing well in games of chance. Such optimism can be useful for managers and sportsmen and sometimes turns into a self-fulfilling **prophecy**.

But most of the time it results in wasted effort and **dashed hopes**. Kahneman's work points to three types of over-confidence. First, people tend to **exaggerate** their own skill and prowess; in polls, far fewer than half the respondents admit to having below-average skills in, say, driving. Second, they overestimate the amount of control they have over the future, forgetting about luck and chalking up success solely to skill. And third, in competitive pursuits such as dealing on shares, they forget that they have to judge their skills against those of the competition.

*Using NO MORE THAN THREE WORDS taken from the reading passage, answer the following questions.*

1. Which two occupations may benefit from being over-optimistic?

Your answer:

2. Which practical skill are many people over-confident about?

Your answer:

Hoàn thành bảng từ vựng sau:

Sort elements

justify something      prophecy

dashed hope      exaggerate something

phóng đại	
lời tiên tri	
chứng minh (cái gì) đúng	
hi vọng tiêu tan	