**UNIVERSITY OF CENTRAL PUNJAB**

**FALL 2020**



Fall 2023

**Course Title:** Advance Business Analytics

**Course Code:** BAIT 7423-S24-MBBA-F13-F23-M1

**Assignment No. 1**

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| Course Instructor: Numan Yaqoob | | | | | | | |
| Section: A | | Program: MBA | | | | Date: 02-04-2024 | |
| Submission Date: 02-04-2024 | | | | Maximum Marks: 0 | | | |
| Program Objective: | Course Objective: | | | | Course Learning Objective: | | |
| **TO BE FILLED IN BY THE STUDENT** | | | | | | | |
| Student Name: WASAM ZAHID | | | Registration No: L1F23MBAM0065 | | | | Sr. No: |

**Review of book "Fooled by Randomness"**

**Author: Nassim Nicholas Taleb**

"Fooled by Randomness" is a captivating exploration of how chance and randomness shape our lives more profoundly than we typically acknowledge. Authored by Nassim Nicholas Taleb, a former trader turned scholar, the book offers a compelling blend of anecdotal evidence, theoretical insights, and practical wisdom to unravel the intricate interplay between luck, skill, and human perception.

At its core, Taleb challenges the conventional wisdom that attributes success solely to individual skill and intelligence. Through a series of illustrative examples drawn from various domains including finance, business, and everyday experiences, he demonstrates how people tend to overlook the role of randomness in outcomes. Taleb argues persuasively that our tendency to attribute success to our own abilities, while dismissing the role of luck, leads to flawed thinking and misplaced confidence.

One of the key takeaways from "Fooled by Randomness" is the concept of survivorship bias, where we only see the successful individuals or outcomes and ignore the countless failures that may have occurred due to sheer chance. Taleb warns against drawing conclusions based solely on observed successes, emphasizing the importance of considering the unseen or unrecorded failures that are equally influenced by randomness.

Moreover, Taleb introduces the notion of "black swan events" – rare and unpredictable occurrences that have profound and far-reaching consequences. These events, such as financial crises or technological breakthroughs, defy conventional models of probability and can significantly alter the course of history. By highlighting the inadequacy of traditional risk management approaches in dealing with black swans, Taleb underscores the need for resilience and adaptability in an uncertain world.

Throughout the book, Taleb employs a conversational and engaging writing style, making complex ideas accessible to readers of various backgrounds. His wit and occasional sarcasm add flavor to the narrative, keeping the reader intrigued and entertained. However, some may find his occasional tangents and digressions distracting, as they veer away from the main argument.

In conclusion, "Fooled by Randomness" is a thought-provoking exploration of the role of chance and uncertainty in human affairs. Taleb's insights challenge readers to reassess their beliefs about success and failure, prompting a deeper appreciation for the unpredictable nature of life. While not without its critiques, the book remains a seminal work in the realm of probability and risk, offering valuable lessons for navigating the complexities of an unpredictable world.