

# Understanding Rational Choice Theory in Social Sciences

A Theoretical Framework of Human Decision Making

Presented by:

[Maimuna Khanom

A Student of sociology department]

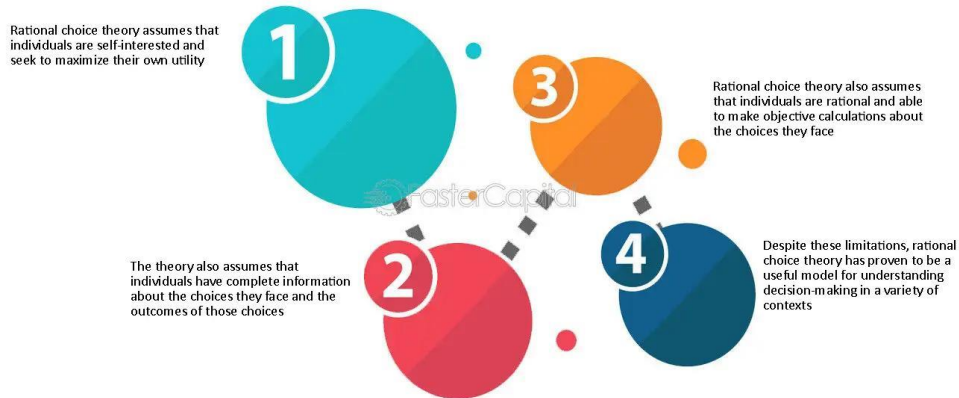
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# ***What is Rational Choice Theory (RCT)?***

- A micro-level theory that assumes individuals make decisions by rational calculation.
- Originated from economics, applied in political science, sociology, and criminology.
- Key Quote:  
“Individuals act to maximize their utility.”

# What is Rational Choice Theory (RCT)?

## Introduction to Rational Choice Theory



# Historical Background

## Rational Choice Theory

The theory states that people make decisions based on what will profit them the most out of self-interest during the decision-making process.

**Origin:** 18<sup>th</sup>-century classical economics

### Key contributors:

Adam Smith (1776): “Invisible Hand”

Jeremy Bentham: Utilitarianism

Later adopted by sociologists like George Homans and James Coleman.



# ***Core Assumptions***

## ***Assumption Explanation***

Rationality Individuals have preferences and make choices to maximize benefit.

- Utility Maximization Decisions are made to gain the highest possible personal benefit.
- Cost-Benefit Calculation Every action is weighed in terms of pros and cons.
- Individualism Focus on the individual rather than the collective.

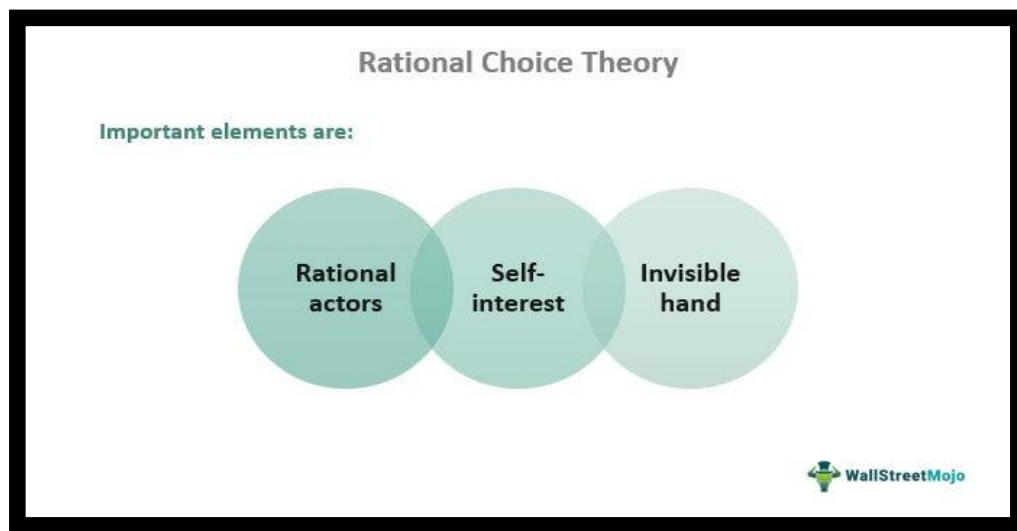
# ***Components of Rational Choice***

1. Preferences – What individuals value.
2. Constraints – Limitations (time, money, law).
3. Information – Decisions based on available knowledge.
4. Utility – The satisfaction from a choice.

Formulaic Insight:

$$\text{Benefit} - \text{Cost} = \text{Utility}$$

# Elements of Rational Choice Theory



# ***Strengths of RCT***

- Clear and logical structure
- Applicable to many areas
- Emphasizes agency and decision-making
- Connects with economic theories



## ***Criticisms of RCT***

- Overemphasis on rationality.
- Ignores emotions, social norms, cultureAssumes perfect information.
- Real-life decisions are made under uncertaintyIndividualistic
- Neglects structural and collective forcesUnrealistic in many contexts.
- Not all decisions are calculated.

## ***References (APA Style)***

1. Coleman, J. S. (1990). *Foundations of Social Theory*. Harvard University Press.
2. Homans, G. C. (1961). *Social Behavior: Its Elementary Forms*. Harcourt.
3. Scott, J. (2000). Rational Choice Theory. In G. Browning, A. Halcli, & F. Webster (Eds.), *Understanding Contemporary Society*.