

Herd behavior is one of the fields that has not been explored much yet. Some approaches exist in sociology and psychology as well as in economy. One of the economical approaches is the one of informational cascades, building on the framework of Bayesian economics. This thesis first introduces Bayesian framework and then the basic models of informational cascades. Main aim of the thesis is to provide introduction to the topic and point out connections to the everyday life; therefore generalizations to the basic models are introduced and three practical cases of possible application of informational cascades elaborated.