

The volume of money bet on the Czech market already exceeded one hundred billion and continues to increase. Therefore, the demand for relevant analysis concerning behaviour of players grows. This thesis aims to study decision making under risk in the environment of gambling and illuminates the discrepancies, provided risk averse consumers are the bettors. The thesis asks the question why people are willing to participate in games with negative expected value and what is their real motivation for gambling, what phenomena determine their view on betting opportunity and how they cope with theoretical models. The theoretical part focuses on existing models of decision making under risk theory and critically evaluates their ability to plausibly reflect reality. Consequently, models such as the expected value, expected utility and prospect theory are introduced, including other basic concepts. In the second section, socioeconomic determinants of player's behaviour are evaluated, improving expected utility theory. In the final section, the thesis demonstrates gathered evidence and possible improvements of the prospect theory model. Although conclusions are not unequivocal, the work provides a comprehensive insight into the utility theory and decision making under risk in an environment of betting.