Course Information

Instructor:

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Office Hour: Monday 17:30-19:30pm, or by appointment

Teaching Assistant:
Phone: TBA
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Classes:
Lectures: Monday and Thursday at 15:30-17:20

Venue: PHBS Building, Room 229

Course Website:
TBA

1. Course Description

1.1 Context

Course overview: This course assumes that students are familiar with standard economic models predicated on the presence of rational agents. Behavioral Economics is a relatively new subfield of economics that incorporates insights from psychology into economic models and analyses, with the goal of improving their realism and accuracy. This course will expose students to the major topics in Behavioral Economics, and will link theory with empirical applications. In particular, we will discuss how predictions of economic models differ when several standard assumptions are replaced with psychologically realistic assumptions based on empirical observations from the lab and from the field. In addition to presenting current empirical findings, we will replicate a few experiments documented in the literature. I hope that the material we cover in this class will help students to better understand behavior you encounter in everyday life and improve your own decision-making.

Prerequisites: Calculus and Intermediate Microeconomics are required. Advanced Microeconomics I and II would be helpful but not required.

1.2 Textbooks and Reading Materials

There is no official textbook for this course. The following books would be helpful:

Camerer, Colin F., George Loewenstein, and Matthew Rabin, eds. *Advances in behavioral economics*. Princeton University Press, 2011.

Colin F. Camerer, *Behavioral Game Theory: Experiments in Strategic Interaction*, Princeton, 2003.

Richard H. Thaler and Cass R. Sunstein, *Nudge: Improving Decisions about Health, Wealth, and Happiness*, Yale University Press, 2008.

Kagel, John H., Alvin E. Roth, and John D. Hey. *The handbook of experimental economics,* Princeton university press, 1995.

2. Learning Outcomes

2.1 Intended Learning Outcomes

Learning Goals	Objectives	Assessment
1. Our graduates will be effective communicators.	1.1. Our students will produce quality business and research-oriented documents.	Research proposal
	1.2. Students are able to professionally present their ideas and also logically explain and defend their argument.	Class participation, research proposal, and presentation
2. Our graduates will be skilled in team work and leadership.	2.1. Students will be able to lead and participate in group for projects, discussion, and presentation.	Research proposal and presentation
	2.2. Students will be able to apply leadership theories and related skills.	Research proposal
3. Our graduates will be trained in ethics.	3.1. In a case setting, students will use appropriate techniques to analyze business problems and identify the ethical aspects, provide a solution and defend it.	Exams, class participation, research proposal, and presentation
	3.2. Our students will practice ethics in the duration of the program.	Exams, class participation, research proposal, and presentation
4. Our graduates will have a global perspective.	4.1. Students will have an international exposure.	Exams, class participation, research proposal, and presentation
5. Our graduates will be skilled in problem-solving and critical thinking.	5.1. Our students will have a good understanding of fundamental theories in their fields.	Exams, class participation, research proposal, and presentation
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	Exams, class participation, research proposal, and presentation
	5.3. Our students will demonstrate competency in critical thinking.	Exams, class participation, research proposal, and presentation

2.2 Course specific objectives

2.3 Assessment/Grading Details
- Exams: 30%
- Class participation: 20%
- Research proposal and presentation: 50%

2.4 Academic Honesty and Plagiarism

It is important for a student's effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty is considered academic misconducts, which include plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis.

All assessments are subject to academic misconduct check. Misconduct check may include reproducing the assessment, providing a copy to another member of faculty, and/or communicate a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purpose.

Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

For more information of plagiarism, please refer to *PHBS Student Handbook*.

3. Topics, Teaching and Assessment Schedule

The following are the tentative topics that we plan to cover:

1. Introduction to Behavioral Economics

2. Behavioral Game Theory

3. The Endowment Effect, Loss Aversion, and Status Quo Bias

4. Prospect Theory

5. Applications of Prospect Theory

6. Heuristics and Biases

7. Time inconsistency in Intertemporal Choice: Evidence and Theory

8. Time inconsistency in Intertemporal Choice: Applications

9. Experimental Methodology

10. Social Preferences

11. Stability of Preferences, Inference, and Self Signaling

12. Behavioral Industrial Organization

13. Psychology of Labor

14. Behavioral Finance

4. Miscellaneous