

Economics 479(L01) (Experimental Economics)

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|---------------|---------------------|--------------------|------------------|
| Instructor: | Oscar Zapata | Lecture Location: | SA 247 |
| Phone: | 403 210-6198 | Lecture Days/Time: | TR 09:30 - 10:45 |
| Email: | ozapata@ucalgary.ca | | |
| Office: | SS 434 | | |
| Office Hours: | TR 11:00 – 12:00 | Winter 2017 | |

Course Description

Experimental economics is a branch of economics that makes use of experimental methods, in the lab and the field, to test theories and hypothesis that are uniquely well-suited for testing with experimental tools and data. Experiments in economics address the study of mechanisms that drive economic behavior. The course also covers the principles of experimental methods, the design and analysis of experiments. Students will be exposed to a varied set of experimental economic papers. The course uses basic concepts of game theory to prepare the ground for other topics to be discussed in class.

Course Objectives/Learning Outcomes

The purpose of this course is to introduce students to the principles of experimental design in economics, its strengths and weaknesses. Students will have the opportunity to read and discuss some of the most influential papers in experimental economics. After taking this course students will be able to:

- Identify the areas of economic behavior where experimental methods are more useful.
- Identify the topics in economics where experimental methods have most often been applied.
- Name several experiments performed in different fields of economics.
- Demonstrate understanding of the basic principles of experimental design.
- Consider the scope and limitations of experimental economics.
- Demonstrate ability to critically evaluate experiments in different areas of economics.
- Demonstrate understanding of how experimental methods might be used to address economic problems.

Course content

The course will tentatively cover the following topics:

- Introduction to experimental economics: motivation and overview of experimental methods.
- Experimental design.
- Market competition and equilibrium.
- Bargaining games
- Coordination games
- Public goods games

- Auctions
- Information and social learning
- Network games
- Dominance solvable games
- Signaling and reputation
- Decision under risk and uncertainty
- Intertemporal choice

Prerequisites/corequisites

A basic understanding of game theory and microeconomics tools. Econ 357 and 395.

Required Textbook(s)

There is no textbook for this class.

A set of selected readings (journal papers) will be announced by the instructor on a regular basis. The readings will be available in the library and/or online.

Recommended Textbook(s)

Title: The Handbook of Experimental Economics.
Authors: John H. Kagel and Alvin E. Roth (editors)
Publisher: Princeton University Press, 1995.
ISBN -10: 0691058970

Title: Behavioral Game Theory: Experiments in Strategic Interaction.
Authors: Colin F. Camerer
Publisher: Princeton University Press, 2003.
ISBN: 9781400840885

Title: Experimental Methods: A Primer for Economists
Authors: Friedman and Sunder.
Publisher: Cambridge, 1994
ISBN-13: 978-0521456821
ISBN-10: 0521456827

Reserved Readings

Title: The Handbook of Experimental Economics.
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Course Requirements/Assessments:

There will be two in-class midterms and a research paper due at the end of the term. Additionally

The structure of the final grade for this course is as follows:

| Requirement | Percentage of final grade | Date |
|---------------------------------------|---------------------------|------------|
| Midterm 1 | 30% | February 9 |
| Midterm 2 | 30% | March 30 |
| Research paper and class presentation | 30% | April 6 |
| Class participation | 10% | On going |

The two midterms will be comprehensive, in-class, closed book and notes.

The research paper gives students the opportunity to demonstrate their understanding about economic concepts and theories and about the principles of experimental methods. It also gives students the chance to propose an innovative and personal research project based on their own interests and the topics covered in class. The research paper you are supposed to write may build on one topic (that we have covered in the class) or bridge across topics covered in the class. The paper should be submitted by the due date in a hard copy.

Class Participation: 10 points (based on how prepared you are for each class and the extent to which you participate in class discussions and activities —that is, the quality of your questions, answers, commentary, and constructive criticisms of the material covered in the course)

Research Paper and Presentation – 30 points (The deadline for submitting the research paper in hard copy is April 13 before the class and dates for class presentations are to be announced later, which will depend on the final number of students enrolled in the course)

The midterm tests will be held in the classroom during regular lecture hours. There will be no multiple-choice questions on the tests.

A good proposal:

- ✿ is between 5 and 10 pages, 12 point, Times New Roman, justified style,
- ✿ is broken into 3 to 6 coherent sections, such as (for example) “Introduction”, “Related Literature”, “Proposed Experiment”, “Hypotheses”, and “Conclusion (this may or may not be part of the paper)”,
- ✿ has a title page with the author’s name, title, and an abstract of < 100 words that summarizes the proposal,
- ✿ properly surveys related literature to show that (a) your idea hasn’t been done, and (b) your idea has spotted an interesting hole in the literature,
- ✿ provides *in very clear detail* what exactly you propose to work on,
- ✿ has a list of hypotheses about what you expect to test,
- ✿ and provides *in very clear detail* what resources you will need (money, subjects, computer lab, etc.).

The student presentation should:

- ✱ be well-prepared and organized,
- ✱ summarize any important experimental or empirical facts (*i.e.*, data) related to your topic,
- ✱ summarize any theories and models developed or borrowed by your paper,
- ✱ include some insights from related works (and perhaps knowledge from other courses).
- ✱ be typed, 24 point, Times New Roman, justified style, PowerPoint slides
- ✱ mention the main questions of your paper,
- ✱ list the main hypotheses of your paper,
- ✱ be clear of the methodology and the experimental design of the paper,
- ✱ be clear about the ensuing data analysis and interpretation of the data,
- ✱ list the conclusion of the paper with what particular economically relevant insight that paper has generated.

Desire2Learn: This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at <http://d2l.ucalgary.ca> through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

Grade Determination and Final Examination Details

Department of Economics Criteria for Letter Grades. Economics professors use the following criteria when assigning letter grades:

| Grade | Grade Point Value | Description | Grade | Grade Point Value | Description |
|-------|-------------------|---|-------|-------------------|---|
| A+ | 4.00 | Outstanding | C+ | 2.30 | |
| A | 4.00 | Excellent-superior performance, showing-comprehensive understanding of subject matter | C | 2.00 | Satisfactory – basic understanding of the subject matter |
| A- | 3.70 | | C- | 1.70 | Receipt of a grade point average of 1.70 may not be sufficient for promotion or graduation. (See individual undergraduate faculty regulations.) |
| B+ | 3.30 | | D+ | 1.00 | |
| B | 3.00 | Good – clearly above average performance with knowledge of subject matter generally complete. | D | 1.00 | Minimal pass – marginal performance; generally insufficient preparation for subsequent courses in the same subject. |
| B- | 2.70 | | F | 0 | Fail – unsatisfactory performance or failure to meet course requirements |
| | | | I | 0 | Incomplete – unsatisfactory (effective January 2007) |

Grading Scale

| | | | | | |
|----|----------|----|---------|----|---------|
| A+ | 95 – 100 | B | 73 – 76 | C- | 60 – 62 |
| A | 85 – 94 | B- | 70 – 72 | D+ | 56 – 59 |
| A- | 80 – 84 | C+ | 67 – 69 | D | 50 – 55 |
| B+ | 77 – 79 | C | 63 – 66 | F | 0 – 49 |

A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

Non-programmable calculators will be allowed during the writing of tests or final examinations.

Tests and exams will not involve multiple-choice questions.

Notes:

- Students should be aware that no "make-up" midterms will be given. Any student, who finds it necessary to miss the midterm exam must notify the instructor in advance and produce a valid medical certificate, or other required documentation in order to have the weights adjusted. The weight of the missed midterm will be added to the research paper.
- Examinations will not be given prior to the scheduled date.
- It is the student's responsibility to request academic accommodations. If you are a student with a documented disability who may require academic accommodation and have not registered with the Disability Resource Centre, please contact their office at 220-8237. Students who have not registered with the Disability Resource Centre are not eligible for formal academic accommodation. You are also required to discuss your needs with your instructor no later than fourteen (14) days after the start of this course.
- Answers to the midterm test questions must make use of equations and diagrams wherever possible. Numerical questions require numerical answers.
- Students, without demonstrated reasons, will not be given extra time to complete exams.
- Students should be aware of the academic regulations outlined in The University of Calgary Calendar.
- The classroom is a no-cell-phone-zone. The use of cell phones for any purpose in class is prohibited. Computers may be used only for note-taking purposes.
- Students seeking reappraisal of a piece of graded term work should discuss their work with the instructor within 15 days of work being returned to class.
- Students will be responsible for all material covered in class, unless the instructor notifies the class that the material will not be covered.
- Please note that the following types of emails will receive no response: emails not addressed to anyone in particular; emails where the recipient's name is not spelled

correctly; anonymous emails; emails which do not specify the course and section in which you are registered; and, emails involving questions that are specifically addressed on the course outline.

Reappraisal of Grades

For reappraisal of graded term work, see Calendar I.2

<http://www.ucalgary.ca/pubs/calendar/current/i-2.html>

For reappraisal of final grade, see Calendar I.3

<http://www.ucalgary.ca/pubs/calendar/current/i-3.html>

A student who feels that a piece of graded term work (e.g., term paper, essay, test) has been unfairly graded, may have the work re-graded as follows. The student shall discuss the work with the instructor within 15 days of being notified about the mark or of the item's return to the class; no reappraisal of term work is permitted after the 15 days. If not satisfied, the student shall immediately take the matter to the Head of the department offering the course, who will arrange for a reassessment of the work within the next 15 days. The reappraisal of term work may cause the grade to be raised, lowered, or to remain the same. If the student is not satisfied with the decision and wishes to appeal, the student shall address a letter of appeal to the Dean of the faculty offering the course within 15 days of the unfavourable decision. In the letter, the student must clearly and fully state the decision being appealed, the grounds for appeal, and the remedies being sought, along with any special circumstances that warrant an appeal of the reappraisal. The student should include as much written documentation as possible.

Plagiarism and Other Academic Misconduct

Intellectual honesty is the cornerstone of the development and acquisition of knowledge and requires that the contribution of others be acknowledged. Consequently, plagiarism or cheating on any assignment is regarded as an extremely serious academic offense. Plagiarism involves submitting or presenting work in a course as if it were the student's own work done expressly for that particular course when, in fact, it is not. Students should examine sections of the University Calendar that present a Statement of Intellectual Honesty and definitions and penalties associated with Plagiarism/Cheating/OtherAcademicMisconduct, <http://www.ucalgayr.ca/pubs/calendar/current/k.html>

Academic Accommodation

Students seeking an accommodation based on disability or medical concerns should contact Student Accessibility Services; SAS will process the request and issue letters of accommodation to instructors. For additional information on support services and accommodations for students with disabilities Visit www.ucalgary.ca/access/.

Students who require an accommodation in relation to their coursework based on a protected ground other than disability should communicate this need in writing to their Instructor. The full policy on Student Accommodations is available at www.ucalgry.ca/policies/files/policies/student-accommodation-policy_0.pdf

Absence from a Quiz/Test/Exam

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES/TESTS/EXAMS under any circumstances, nor may the quizzes/tests/exams be written early. Students unable to write the quizzes/tests/exams because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned. If a student cannot write their final exam on the date assigned by the Registrar's Office, they need to apply for a deferred exam www.ucalgary.ca/registrar/exams/deferred_final Under no circumstance will this be accommodated by the department.

Important Dates

| Date | |
|----------------------|--|
| M Jan. 9 | Lecture begins |
| F Jan. 20 | Last day to drop full courses (Multi-term) and Fall Term half Courses. No refunds for full courses (Multi-term or Fall Term half courses after this date. |
| M Jan. 23 | Last day to add or swap full courses (Multi-term) and Fall Term half courses. Last day for change of registration from audit to credit or credit to audit. |
| F Jan. 27 | Fee payment deadline for Fall Term full and half courses |
| Feb. 19 – Feb. 26 | Reading Week. No lectures. University closed on Family Day |
| F Apr.14 | Good Friday. No classes. |
| W Apr. 12 | Winter Term Lectures End. Last day to withdraw with permission from Winter Term half courses. |
| Apr. 15 - 26 | Winter Term Exam Period |

Faculty of Arts Students' Association (F.A.S.A.):

Economics Department Representative

Office: SS 803, E-mail: econrep@fasaucalgary.ca Web: www.fasaucalgary.ca

Society of Undergraduates in Economics

www.ucalgarysue.com

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career partnerships with the Career Centre through hosting industry nights and information sessions, recognizing achievements in teaching, and organizing social events for members.

Faculty of Arts Program Advising and Student Information Resources

- Have a question, but not sure where to start? The Arts Students' Centre is your information resource for everything in Arts! Drop in at SS102, call them at 403-220-3580 or email them at artsads@ucalgary.ca. You can also visit the Faculty of Arts website at <http://arts.ucalgary.ca/undergraduate> which has detailed information on common academic concerns, including program planning and advice.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625] or visit them in the MacKimmie Library Block.
- Online writing resources are available at <http://www.ucalgary.ca/ssc/resources/writing-support>

Evacuation Assembly Point

In case of an emergency evacuation during class, students must gather at the designated assembly point nearest to the classroom. The list of assembly points is found at www.ucalgary.ca/emergencyplan/assemblypoints

Please check this website and note the nearest assembly point for this course

Safewalk

The Safewalk program provides volunteers to walk students safely to their destination anywhere on campus. This service is free and available 24 hrs/day, 365 days a year.

Call 403-220-5333