

Economics 481(L01) (Behavioural Economics)

Instructors:	R. Oxoby and A. Jakobsen	Lecture Location:	SA015
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Office Hours:	MW 2-3 (Oxoby), TR 4-5 (Jakobsen)		(Fall 2018)

Course Description:

Economics and psychology posit different models of decision making, each emphasizing different aspects of how individuals are motivated and process information. Behavioral economics lies at the intersection of economics and psychology, investigating behavior, interactions, and markets when individuals display psychological phenomena not typically accounted for in the standard economic model of a rational decision maker. This course will be concerned with aspects of behaviour that are particularly relevant to the analytical constructs utilized in conventional economics. Among the general topics to be covered are the following:

- (1) The general subject area of behavioural economics;
- (2) Research methods in behavioural economics, including controlled experiments;
- (3) The model of “rational economic man”: meanings of rationality, empirical evidence on non-rational behaviour and various views of the relevance of these empirical results;
- (4) The nature of bounded rationality, bounded self-interest, and bounded self-control/willpower in economic decision-making;
- (5) The role of preference (taste) changes in economics: various views of economic motivation, the role of preference differences in explaining economic behaviour;
- (6) Various non-market influences of the economic system on individual well-being.

Course Objectives/Learning Outcomes:

A detailed outline of the course topics will be handed out on the first day of class. This outline will include the specific topics and readings for each week. Overall, the goal of this course is to develop the student’s understanding of how psychological phenomena affect economic behaviour and outcomes and how considering psychological processes can expand and enhance our understanding of economic behaviour. Additionally, students will have the opportunity to develop their research and analytic skills through a term paper and assignments.

Prerequisites/co-requisites:

Economics 301 and 357 are prerequisites for this course and we will be building on topics covered in these courses and will make use of calculus and algebra.

Required Textbook(s):

There is no required textbook for the course. Rather we will be reading excerpts and journal articles in economics and psychology. Links to readings (available through the reserve desk or JSTOR) will be posted on the D2L site.

Reserved Readings:

Aronson, *The Social Animal*, Freeman.
Baron, J., *Thinking and Deciding*, Cambridge.
Becker and Becker, *The Economics of Life*, McGraw Hill.
Elster, J., *Addiction*, Russel Sage
Gigerenzer et al, *Simple Heuristics That Make Us Smart*, Oxford.
Gintis et al, *Moral Sentiments and Material Interests*, MIT.
Granovetter, *The Sociology of Every Day Life*, Westview.
Hardin, *Trust and Trustworthiness*, Russel Sage.
Henrich et al, *Foundations of Human Society*, Oxford.
Hogarth, *Insights in Decision Making*, Chicago
Kahneman et al, *Well-Being: The Foundations of Hedonic Psychology*, Russell Sage.
Kahneman and Tversky, *Choices, Values and Frames*, Cambridge.
Lowenstein et al, *Time and Decision*, Russel Sage.
Thaler, R., *Quasi-Rational Economics*, Russell Sage.
Thaler, R., *Advances in Behavioral Finance*, Russell Sage.

Course Requirements/Assessments:

Final grades will be based on four problem sets (10% each), a final exam (30%, scheduled by the registrar's office), and a term paper (30%, due November 29th). Late work will not be accepted.

Problem sets will involve the analysis of problems using methods developed in class and in the readings. In addition to being graded for completeness, these problem sets serve as practice for the final exam.

For the term paper, you should choose a topic of interest and analyze it using the tools discussed in class. A brief summary of your paper topic is due October 25th. Your summary should include a description of your research question, your proposed method, and at least three references you have consulted. For information on the format of the paper, please consult the notes on writing a term paper. The final draft must be typed, double-spaced, and include a list of references. Initial drafts of your term paper are due November 22nd for peer review by others in the class, with reviews on your colleagues' papers due November 29th. (More on this process will be discussed in class). Final drafts of the term paper are due December 6th.

Tests and final exams are marked on a numerical (percentage) basis and converted to letter grades. The course grade is then calculated using the weights below.

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.

If, for some reason, the distribution of grades determined using the aforementioned conversion chart appears to be abnormal, the instructor reserves the right to change the grade conversion chart if the instructor feels it is necessary to more fairly represent student achievement.

There will be a Registrar scheduled final examination, held in a classroom, lasting 2 hours. Non-programmable calculators will be allowed during the writing of tests or final examinations. Tests and exams will not involve multiple choice questions.

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.

Reappraisal of Grades and Intellectual Honesty:

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>

Statement of Intellectual Dishonesty, see Calendar K.4

<http://www.ucalgary.ca/pubs/calendar/current/k-4.html>

Plagiarism and Other Academic Misconduct, , see Calendar K.5

<http://www.ucalgary.ca/pubs/calendar/current/k-5.html>

Academic Accommodations:

The student accommodation policy can be found at: ucalgary.ca/access/accommodations/policy.

Students needing an accommodation because of a disability or medical condition should communicate this need to Student Accessibility Services in accordance with the Procedure for Accommodations for Students with Disabilities ucalgary.ca/policies/files/policies/student-accommodation-policy.

Students needing an Accommodation based on a Protected Ground other than disability should communicate this need, preferably in writing, to the course instructor.

Important Dates

Please check: <http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html>

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 to succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career events such as Industry Night and information sessions, mentorship programs, and social events for members. They invite you to join by contacting SUE at societyofundergradsineconomics@gmail.com.

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 assembly point for this classroom is the Social Science - Food Court.

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.**

Freedom of Information and Protection of Privacy (FOIP) Act:

Personal information is collected in accordance with FOIP. For more information, see <http://www.ucalgary.ca/legalservices/foip/foip-hia>.

Internet and Electronic Communication Device information:

The use of cell phones for any purpose in class is prohibited. Computers and tablets may be used for note-taking only.