

Department of Economics
Hacettepe University
ECO 344 Behavioral Economics
Spring 2016-2017

Course Information

Instructor Dr. Shihomi Ara-Aksoy
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Time/Place **Wednesdays 9:00 – 11:45 @ DK9**

Office Hours: Wednesdays at 11:45 - 12:30, or by appointment

Course Website: <http://yunus.hacettepe.edu.tr/~sara>, <http://www.shihomiaksoy.org>

Course Description This course introduces the fundamentals of behavioral economics which integrates insights from psychology into economic models of judgment, decision making and behavior. The first part of the course focuses on heuristics, biases and anomalies. The second part is composed of a review of expected utility theory and preference and an introduction of prospect theory. In the last part of the course, some topics in consumer behavior will be discussed. Since various experiments will be conducted in the class throughout the course, students' attendance is given significant importance.

Course Objectives Upon successful completion of this course, students will be familiar with the basic theories and concepts in behavioral economics, understand the psychological influence on individuals' decision making, be able to explain the differences between the decisions with unbounded-rationality in conventional economic theories and with bounded-rationality in alternative decision models, and be able to and conduct design experiments/surveys to observe individual decision making under uncertainty and analyze the collected data.

Course Requirements

1.	Midterm Exam	30%
2.	Final Exam	30%
3.	Group Project ¹	20%
4.	2 Presentations ²	5% each
5.	Attendance ³	10%

¹ The course projects will be conducted by students' groups, each consisting of maximum 4 students. Each group selects BE research topic of their interest, design and conduct an experiment/survey, analyze the collected data and report the results in academic journal format. If no-contribution as a group member is reported, the student will get 0 point from the project and presentations. Same group has to be sustained for Group Project and two Presentations.

² There will be two class-room presentations, I on topic of your research and literature review, II is the final presentation of the project.

Make-up Exam

No makeup exam will be given unless a legally acceptable document (such as medical report) is submitted. Validity of such document will be examined.

Grading

Final grade will be given entirely based on your scores under a fair and single grading policy. None of students' "special situations/needs" (e.g. scholarship, graduation, financial condition, family situation etc.) will affect the grade. No exception. If you need a certain grade, work hard.

Academic Misconduct

Please read the relevant material at <http://www.plagiarism.org/>. Detected plagiarism throughout the coursework will cause the student to be punished according to the University rules. The students are expected to know what plagiarism is and lack of knowledge is not an acceptable excuse.

Disabilities

Any student who feels s/he may need an accommodation based on the impact of a disability should contact me privately to discuss your specific need.

Week	Topics	Important Dates
1	Introduction to Behavioral Economics	
2	Judgment, Rationality	
3	Heuristic Judgment (1) Availability, Anchoring and Adjustment	
4	Heuristic Judgment (2) Representativeness	
5	Anomalies (1)	
6	Anomalies (2)	Topic submission
7	<i>Presentation I</i>	<i>Presentation I</i>
8	Midterm Exam	
9	Data Analysis	
10	Prospect Theory (1)	<i>Survey Submission</i>
11	Prospect Theory (2)	
12	Consumer Psychology and Behavior (1)	
13	Consumer Psychology and Behavior (2)	
14	Conference	<i>Presentation II</i>

Textbook

Kahneman, D. (2011). Thinking, Fast and Slow. New York: Farrar, Straus and Giroux

Other readings will be assigned for each topic and will be posted on the course web page.