

Department of Economics
Hacettepe University
ECO 344 Behavioral Economics
Spring 2017-2018

Course Information

Instructor Dr. Shihomi Ara-Aksoy
Office: Department of Economics
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Time/Place Mondays 9:00 – 11:50 @ DK9

Office Hours: Tuesdays 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 case studies will be discussed. 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	20%
2.	Final Exam	30%
3.	Group Project ¹	30%
4.	2 Presentations ²	10% total
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 from the list of topics provided by the instructor, 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. Out of 30% of Group Project, Topic Submission (5%), Survey Submission (5%), Final Project Report (20%).

² There will be two class-room presentations, I on the topic of your research, literature review and the study design, 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), Nudge	
6	Anomalies (2)	<i>Topic submission</i>
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.

Project Topic List

1. How to decrease household energy usage in Ankara. (Energy Efficiency)
 2. How to make smokers to smoke less or quit smoking. (Smoking)
 3. How to increase students' motivation for studying and active course participation (hence students' Happiness as a ECON student) in this department. (Student)
 4. How to decrease bad traffic manners (speeding, ignoring traffic right, dangerous driving, threatening other drivers' safety) of car drivers in Ankara. (Drivers)
 5. How to promote healthy life style (healthy eating habit and regular exercise) among students. (Health)
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*For all the topics, each group needs to specify the research objective/hypothesis/methodology (survey or experiment), design the survey/experiment, conduct the survey/experiment, analyze the data, and report the NEW facts you've found. Make sure to use Behavioral Economic Concepts (Heuristics, Anomalies, Nudge...)

*You need to submit (1) topic, (2) survey and (3) final report as a group.

*If you have any strong desire to work on the topic which is not listed above, consult the instructor.