Department of Economics
Hacettepe University
# ECO 344 Behavioral Economics
*Spring 2019-2020*

**Course Information**

**Instructor**          Dr. Shihomi Ara-Aksoy
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**Time/Place**          **Thursdays 9:00 – 11:50 @ D9**

**Office Hours:**       Fridays 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 | 40% |
| 3. | Group Project[1] | 20% |
| 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 20% of Group Project, Topic Submission (3%), Survey /Experimental Design Submission (2%), Final Project Report (15%).
[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)<br>Availability, Anchoring and Adjustment | |
| 4 | Heuristic Judgment (2)<br>Representativeness | |
| 5 | Anomalies (1) | |
| 6 | Anomalies (2), Nudge | *Topic submission* |
| 7 | *Presentation I* | *Presentation I* |
| 8 | **Midterm Exam** | |
| 9 | Data Analysis | |
| 10 | Prospect Theory (1) | *Survey Submission* |
| 11 | Prospect Theory (2) | |
| 12 | Consumer Psychology and Behavior (1) | |
| 13 | Consumer Psychology and Behavior (2) | |
| 14 | **Conference** | *Presentation II* |

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.