Department of Economics
Hacettepe University

ECO 663 Experimental Economics

Fall 2018/2019

Course Information

Instructor	Dr. Shihomi Ara-Aksoy
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Time/Place	**Wednesday 9:00 – 11:45 @ H. Oygur**
Office Hours:	by appointment
Course Website:	**http://www.shihomiaksoy.org**

Course Description

The objective of this course is to introduce experimental methods in economics to better understand economic behaviors and decision makings of individuals. The course is divided into two parts. In the first part, some major concepts (prospect theory, anomalies and heuristics,nudge) from behavioral economics will be discussed. In the second part, the methodologies of experimental economics will be introduced, including applications and implementations of economic experiments. Data analysis of economic experiments will be reviewed. In order to obtain a "hands-on" experience, students are required to complete our course project: designing, implementing and analyzing an economic experiment.

Course Objectives Upon the successful completion of this course, students are expected to understand the role of experiments to better understand individual behaviors from the perspective of behavioral and experimental economics, understand the strength and weakness of the lab-experiments, understand the design and implementation of the experiments and be able to analyze the outcomes of experiments statistically in order to answer research questions.

Course Requirements

1.	Article Presentation	5%
2.	Project Presentation I	5%
3.	Project Presentation II	10%
4.	Report	30%
5.	Attendance*	10%
6.	Final Exam	40%

Article Presentation: Select an academic article which could be highly useful for your project and present (1) objective; (2) experimental design;(3) data analysis method; (4) findings/conclusions to the class. Selection of the article could be done from "*Experimental Economics*", "*Journal of Behavioral and Experimental Economics*", "*Journal of Behavioral and Experimental Finance*" among others.

Project Presentation I: Present your selected topic, in terms of (1) problem definition and objective, (2) methodology (experimental design) and (3) brief literature review of 3 most related articles.

Project Presentation II: Final project presentation including (1) objective, (2) detailed experimental design, (3) experimental results and analysis and (4) conclusion.

Report: In the form of an academic journal article, describe your project. It should include (1) Introduction, (2) Literature Review, (3) Experimental Design, (4) Estimation Result and Analysis, (5) Conclusion and (6) Bibliography.

Week	Date	Topics
1	Oct. 10	Introduction
2	Oct. 17	Behavioral Economics (1): Anomalies
3	Oct. 24	Behavioral Economics (2): Heuristics and Biases
4	Oct. 31	Behavioral Economics (3): Nudge
5	Nov. 7	Behavioral Economics (4): Prospect Theory
6	Nov. 14	Experimental Design (1)
7	Nov. 21	Experimental Design (2)
8	Nov. 28	**Article Presentation**
9	Dec. 5	**Project Presentation I**
10	Dec. 12	Data Analysis (1)
11	Dec. 19	Data Analysis (2)
12	Dec. 26	Applications of Experiments (1)
13	Jan. 2	Applications of Experiments (2)
14	Jan. 9	**Project Presentation II**

References:

"Senin Kararın mı? Kamu Politikası Tasarımında Davranışsal Yaklaşım" Ticaret Bakanlığı Davranışsal Kamu Politikaları ve Yeni Nesil Teknolojiler Dairesi (https://www.ticaret.gov.tr/kurumsal-haberler/senin-kararin-mi)

World Development Report 2015 Mind, Society and Behavior (http://www.worldbank.org/en/publication/wdr2015)

Books
For Behavioral Economics,

1. Daniel Kahneman (2011). Thinking, Fast and Slow. New York: Farrar, Straus and Giroux.
2. Daniel Kahneman (2000). Choices, Values and Frames. First edition. Cambridge University Press.
3. Dan Ariely (2010). Predictably Irrational, Revised and Expanded Edition: The Hidden Forces That Shape Our Decisions, Harper Perennial.
4. Thaler, R.H., Sunstein, C.R. (2008) Nudge Improving Decisions about Health, Wealth and Happiness, Yale University Press, London.

For Experimental Economics,

1. John H. Kagel and Alvin E. Roth "The Handbook of Experimental Economics" Princeton University Press, Princeton, New Jersey, 1995.

2. Guillaume R. Frechette and Andrew Schotter (edited) "Handbook of Experimental Economic Methodology". Oxford University Press, 2015.
3. Daniel Friedman and Alessandra Cassar " Economics Lab: An Intensive Course in Experimental Economics", Routledge, 2004.
4. Daniel Friedman and Shyam Sunder "Experimental Methods: A Primer for Economists". Cambridge University Press, 1994.

Resources on the Web

Behavioral Insight Team
https://www.behaviouralinsights.co.uk/

World Bank MBeD (Mind, Behavior and Development Unit)
http://www.worldbank.org/en/programs/embed#3

Dan Ariely
http://danariely.com/

Center for Advanced-Hindsight
https://advanced-hindsight.com/

Seminars at Bilkent University (Wednesday 14:00 A 228, FEASS Building)

10/10/2018 Fario Galeotti "The negative spillover effects of monitoring on intrinsic honesty"

11/7/2018 Bertil Tungodden

Further seminar information will be shared in the class as announced.

Suggested Project Areas

Environment/Climate Change	Health	Energy
Transportatıon	Fınance	Productivity

Obviously, not limited to only these areas.

Suggested Project Topics

1. Reducing Household Electricity Consumption by using Behavioral Economics/Nudging

2. Enhancing CO2 emission reduction by general public by using Behavioral Economics/Nudging

3. Nudging smoking parents to reduce smoking around Asthma children

4. Reducing waste disposal on the streets by using Behavioral Economics/Nudging

5. Reducing pet-bottle consumption using Behavioral Economics/Nudging

6. Enhancing healthy living style by using Behavioral Economics/Nudging

NOTE: These are just suggestions. Feel to free to come up with your original research ideas.

Behavioural Insights and Public Policy

Institutions applying BI to public policy around the world

Institutions inside government Institutions outside government Multi-national organisations

Source: OECD Research (2018)