



# SYMBIOSIS COLLEGE OF ARTS & COMMERCE

An Autonomous College | Under Savitribai Phule Pune University  
 Reaccredited 'A+' with 3.51 CGPA For Third Cycle By NAAC | College with Potential for Excellence

<b>COURSE TITLE</b>	<b>Intro to Behavioral and Experimental Economics</b>	
<b>Paper Number (In case of</b>	<b>HONOURS CORE PAPER III</b>	
<b>Course Learning Outcomes:</b> <b>On successful completion of the module students will be able to:</b> <ul style="list-style-type: none"> <li>To introduce students to the concepts of behavioural economics and how they differ from standard economic theories.</li> <li>To understand the relevance of these concepts</li> <li>To learn to analyse the effect of concepts on decision making</li> <li>To understand the basics of behavioral experiment design</li> </ul>		
<b>Gist of this course in maximum 3 to 4 lines</b>	Through this course students will be able understand the behavioral concepts with respect to economic decision making. It will also enable students to analyze and obtain insights into the practical applications of the subject through behavioral experiments and interventions	
<b>Detailed syllabus</b>		
<b>Unit</b>	<b>CONTENTS OF THE COURSE</b>	<b>No. of Lectures</b>
<b>1.</b>	<b>Historical Background</b> Classical & Early Neo Classical Theories Postwar Neo Classical Theory Birth of Behavioural Economics	<b>4</b>
<b>2.</b>	<b>Two Minds and Heuristics &amp; Biases</b> Insights from Psychology Characteristics of Two minds Determinants of Dominance Heuristics – Definitions & Reasons for use Types of heuristics and application Biases – Definitions Types of Biases Impact of bias on decision making	<b>8</b>
<b>3.</b>	<b>Choice Framing</b> Framing – Definition Types of framing Effects of framing Impact of framing on decision making	<b>4</b>
<b>4.</b>	<b>Prospect Theory &amp; Loss Aversion</b> Understanding Prospect Theory Expected Utility Theory Importance of Outcomes Effects of Loss Aversion	<b>3</b>
	<b>Mental Accounting</b>	<b>4</b>

5	Mental Accounting – Definition Framing Mental Accounts Fungibility & Labels Hedonic Editing	
6	<b>Intertemporal Choice, Dynamic Inconsistency &amp; Hyperbolic Discounting</b> Temporal Construal Construal Level Theory Intertemporal Choice – Definition Discount Rates Dynamic Inconsistency – Definition Magnitude & Sign Effects Savouring & Dread Hyperbolic Discounting Preference Reversal	15
7	<b>Experiments and Behavioral Economics</b> Experimental methods External & Internal validity Incentives, Deception and Sample Size Classroom Experiments	7
	<b>Total Number of Lectures</b>	<b>45</b>
<b>Teaching Methodology :</b>	1. Lecture 2. Class discussion 3. Experiment analysis	
<b>Projects / Field work as part of continuous assessment:</b>		
<b>Topic:</b> Experiment design & data analysis Research Project (includes literature review, primary data collection, data analysis)		
<b>Suggested Reference Books</b>		
<ol style="list-style-type: none"> <li>1. Thinking Fast and Slow, D. Kahneman, 2011, Allen Lane, Penguin Books</li> <li>2. Predictably Irrational: The hidden forces that Shape our decisions, Dan Ariely, Harper Collins</li> <li>3. The Upside of Irrationality: the unexpected benefits of defying logic at work and at home, Dan Ariely, 2010, Harper Collins</li> <li>4. Nudge: Improving decisions about health wealth and happiness, R. Thaler &amp; C. Sunstein, 2009, Penguin Books</li> <li>5. Why Smart People Make big money mistakes, G. Belsky &amp; T. Gilovich, Simon &amp; Schuster</li> <li>6. Handbook of Contemporary Behavioral Economics: Foundations &amp; Developments, Altman, 2006, Prentice Hall.</li> </ol>		
<b>Suggested Journals</b>		
<ol style="list-style-type: none"> <li>1. Journal of Behavioural Decision Making</li> <li>2. Marketing Letters</li> <li>3. Psychological Review</li> <li>4. American Economic Review</li> </ol>		
<b>Web sites :</b>		
<ol style="list-style-type: none"> <li>1. <a href="http://www.behavioraleconomics.com">www.behavioraleconomics.com</a></li> <li>2. <a href="http://www.ideas42.com">www.ideas42.com</a></li> <li>3. <a href="http://www.behavioralscientist.org">www.behavioralscientist.org</a></li> </ol>		