

## Behavioral and Experimental Economics

Course title - Intitulé du cours	Behavioral and Experimental Economics
Level / Semester - Niveau /semestre	M1 / S2
School - Composante	Ecole d'Economie de Toulouse
Teacher - Enseignant responsable	Astrid Hopfensitz
Lecture Hours - Volume Horaire CM	15
TA Hours - Volume horaire TD	12
TP Hours - Volume horaire TP	
Course Language - Langue du cours	Anglais
TA and/or TP Language - Langue des TD et/ou TP	Anglais

### **Teaching staff contacts - Coordonnées de l'équipe pédagogique :**

Astrid Hopfensitz ([astrid.hopfensitz@tse-fr.eu](mailto:astrid.hopfensitz@tse-fr.eu)). Meetings upon appointment.

### **Course's Objectives - Objectifs du cours :**

This course is an introduction to experimental economics and behavioral economics and its applications to Microeconomics. You will learn how experiments are conducted in economics and what we can learn from them. We will discuss and analyze experimental results in different domains. You will run your own experiment and participate in experiments by others.

By the end of the course you should have a good understanding of the topics, methods and approaches of behavioral and experimental economics. You should be able to critically analyze experimental results and be able to implement own experimental projects.

### **Prerequisites - Pré requis :**

The course will be held in english. No specific requirements.

### **Practical information about the sessions - Modalités pratiques de gestion du cours :**

You are asked to be present for all sessions. Part of the course requirement is a course project which will consist in an experiment run during class time. You are required to participate also in your fellow students experiments.

### **Grading system - Modalités d'évaluation :**

Your final grade will be combined from the following two course requirements:

1. You will be asked to form groups of approx. 5 students (subject to participants in class). Your group will be required to work together during the whole semester. You will have to:

A. Prepare a small experiment together that you will run with other students as participants. This will consist of:

- i) an idea for an experiment
- ii) a question you want to answer with it
- iii) written instructions that you will give to participants
- iv) the preparation of the necessary tools for the experiment (e.g. envelopes, dice, questionnaires, etc.)

You will have to make an appointment with me at least one week before you are planning to run your experiment, to briefly discuss what you are planning to do and to present how you are going to implement it.

B. Summarize your results in a two page report that you will hand in to me. - i.e. present idea behind experiment - literature

- predictions
- show results graphically
- explain how results could be analyzed statistically (given more observations)

Note: you will receive a group grade - this grade might be adjusted individually in case of especially good or poor performance during experiment and/or presentation.

2. Final exam. The written exam will consist of open questions that can be either about:

- content of lecture
- experiments run in class
- papers on reading list

### **Bibliography/references - Bibliographie/références :**

No book is required for this course. However you might find the following books useful:

- "The Handbook of Experimental Economics" by John H. Kagel and Alvin E. Roth
- "Markets, Games, & Strategic Behavior" by Charles A. Holt
- "Explaining social behavior: more nuts and bolts for the social sciences" by Jon Elster
- "Thinking, Fast and Slow", by Daniel Kahneman

Lots of useful resources can be also found on the internet, e.g.:

- Al Roth's game theory, experimental economics, and market design page:  
<http://kuznets.fas.harvard.edu/~aroth/alroth.html>
- Charles Holt webpage on experimental economics:  
<http://people.virginia.edu/~cah2k/teaching.html>
- Website by Dan Ariely:  
<http://danariely.com/the-research/>

### **Session planning - Planification des séances :**

preliminary planning:

Week	Topic
1	Introduction
2	Methodology
3	Non-parametric statistics and game theory
4	Individual decision making
5	Markets
6	Auctions
7	Biases
8	Mechanism design and public goods
9	Public and common goods
10	Altruism and cooperation