

Fondations of Behavioral and Experimental Economics

Course title - Intitulé du cours	Fondations of Behavioral and Experimental Economics
Level / Semester - Niveau /semestre	M2/S2
School - Composante	École d'Économie de Toulouse
Teacher - Enseignant responsable	ALGER, Ingela
Other teacher(s) - Autre(s) enseignant(s)	DESSI, Roberta
Other teacher(s) - Autre(s) enseignant(s)	HOPFENSITZ, Astrid
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Lecture Hours - Volume Horaire CM	30 lecture hours
TA Hours - Volume horaire TD	
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 :

The course will be taught by a team of teachers to enable students an exposure to different methods and topics. The teaching team for 2019/2020 will consist of Roberta Dessi, Ingela Alger and Astrid Hopfensitz.

Ingela Alger : ingela.alger@tse-fr.eu

Roberta Dessi : roberta.dessi@tse-fr.eu

Astrid Hopfensitz: astrid.hopfensitz@tse-fr.eu

Offices to be confirmed in new TSE building Please email to individual instructor for appointment.

Course's Objectives - Objectifs du cours :

This is a course on advanced behavioral (micro) economics. The course should give students a clear idea of what has been learned from behavioral economics and what are the current frontiers. At the same time, the course should enable students working in other fields (theory, finance, development, environment, etc.) to get a basic knowledge of the relevance of behavioral insights for these fields, and give students who would like to focus on behavioral topics themselves the necessary knowledge to succeed.

Prerequisites - Pré requis :

The course will be taught in English. Microeconomics and game theory are required pre-requisites. Students are expected to actively participate in class and to prepare by reading the assigned texts.

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

- week 1: Introduction, Astrid Hopfensitz (3h)
 - Historical introduction - the experimental method
- week 2 – 3 (half of week 3): Individual decisions, Astrid Hopfensitz (4,5h)
 - Introduction - Heuristics and biases, framing - Reference-dependent preferences, loss aversion and prospect theory
- week 3 (half of week 3) – 5 (half of week 5): Time preferences and bounds to rationality, Roberta Dessi (6h)
 - Intertemporal choice and time discounting - Overconfidence - Bounded rationality and limited attention.
- week 5 (half of week 5) – 8: Decision making in social interactions: non-standard preferences, Ingela Alger (10.5h)
 - Non-standard preferences in social interactions (altruism, warm glow, fairness concerns, inequity aversion, etc.)
- week 9 – 10: Social decision making: Groups, Norms and Networks, Astrid Hopfensitz (6h)
 - empirical evidence for behavior in social interactions (public good games, trust games, dictator games) - social enforcement mechanisms of pro-social behavior (peer-punishment, reward, ostracism, endogenous group formation) - cross-cultural robustness (norms, culture) - mechanism (social pressure, beliefs, emotions, group identity) - heterogeneity of agents (heterogeneity of preferences, social position, network position)

Grading system - Modalités d'évaluation :

Students will be evaluated on one term paper (e.g. the outline for a research project) and three written take-home exams (one for each instructor). The term paper grade will represent 40% of the course grade, and each take-home exam, 20%. The deadlines for the three take-home exams will be February 18, March 18, and April 8, respectively. The deadline for the term paper will be April 15.

Bibliography/references - Bibliographie/références :

Reading: BOOK (we highly recommend the following book for parts of the course):

- The Foundations of Behavioral Economic Analysis, Sanjit Dhami, Oxford (37 Euros) Each member of the teaching team will provide a list of papers for her part of the course.