Behavioral Macroeconomics

Course title – Intitulé du cours	Behavioral Macroeconomics
Level / Semester – Niveau /semestre	DEEQA/S2
School – Composante	Ecole d'Economie de Toulouse
Teacher – Enseignant responsable	Tiziana Assenza
Other teacher(s) – Autre(s) enseignant(s)	
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Other teacher(s) – Autre(s) enseignant(s)	
Other teacher(s) – Autre(s) enseignant(s)	
Lecture Hours – Volume Horaire CM	15
TA Hours – Volume horaire TD	
TP Hours – Volume horaire TP	
Course Language – Langue du cours	English
TA and/or TP Language – Langue des TD et/ou TP	English

Teaching staff contacts:

- Tiziana Assenza (tiziana.assenza@tse-fr.eu),
- Office T607
- Office hours: by appointment
- Preferred means of interaction (by email; or office hours prior appointment)

Course Objectives:

The standard model used in macroeconomics relies on the assumption of perfectly rational, self-interested utility maximizer agents who can access and process available information with quasi unlimited cognitive resources. This approach provides a good approximation of agents' behavior that economists are interested in and has proven useful in macroeconomic modelling.

Over the last 30 years behavioral/experimental economists and psychologists have documented approaches through which the standard model may be re-thought. They show how considering e.g., bounded rationality or cognitive distortions may affect agents' expectations and decision making in important ways and in turn economic outcomes.

Understanding these behaviors, and their implications, is the main focus of this course.

The course provides an overview of the main areas of study within behavioral macroeconomics with a focus on the use of experimental methods for macroeconomic analysis.

Topics discussed during the course will include:

- Bounded rationality in macroeconomics

- Heterogenous expectations in macroeconomic models
- Laboratory experiments in macroeconomics
- Survey experiments: information provision and beliefs

By the end of the course, the students should be comfortable with understanding the methodological contribution/aspects of behavioral and experimental macroeconomics.

Prerequisites :

- Macroeconomics; Econometrics 1

Practical information about the sessions:

- Laptops or tablets are accepted in the class

Grading system :

- Active class participation
- Development of a research project

Bibliography/references :

- A list of bibliography and references will be distributed during the first class of the course

Distance learning *:*

Distance learning can be provided when necessary by implementing, for example:

- Interactive virtual classrooms