

## Economics481(L01) (Behavioural Economics)

Instructor:	Robert Oxoby	Lecture Location:	SA015
Phone:	403.220.2586	Lecture Days/Time:	TR 11:00-12:15
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Office:	SS 444		
Office Hours:	MW 2-3 and by appointment	(Fall 2017)	

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### Course Description

Economics and psychology posit different models of decision making, each emphasizing different aspects of how individuals are motivated and process information. Behavioral economics lies at the intersection of economics and psychology, investigating behavior, interactions, and markets when individuals display psychological phenomena not typically accounted for in the standard economic model of a rational decision maker. This course will be concerned with aspects of behaviour that are particularly relevant to the analytical constructs utilized in conventional economics.

Among the general topics to be covered are the following:

- (1) The general subject area of behavioural economics;
- (2) Research methods in behavioural economics, including controlled experiments;
- (3) The model of “rational economic man”: meanings of rationality, empirical evidence on non-rational behaviour and various views of the relevance of these empirical results;
- (4) The nature of bounded rationality, bounded self-interest, and bounded self-control/willpower in economic decision-making;
- (5) The role of preference (taste) changes in economics: various views of economic motivation, the role of preference differences in explaining economic behaviour;
- (6) Various non-market influences of the economic system on individual well-being.

### Course Objectives/Learning Outcomes

A detailed outline of the course topics will be handed out on the first day of class. This outline will include the specific topics and readings for each week. Overall, the goal of this course is to develop the student’s understanding of how psychological phenomena affect economic behaviour and outcomes and how considering psychological processes can expand and enhance our understanding of economic behaviour. Additional, students will have the opportunity to develop their research and analytic skills through a term paper and assignments.

### Prerequisites/co-requisites

Students are reminded that economics 301 and 357 are prerequisites for this course. We will be using topics covered in these courses and will make use of calculus and algebra.

**Required Textbook(s)**

There is no required textbook for the course. Rather we will be reading excerpts and journal articles in economics and psychology. Links to readings (available through the reserve desk or JSTOR) will be posted on the D2L site.

**Reserved Readings**

Aronson, *The Social Animal*, Freeman.  
Baron, J., *Thinking and Deciding*, Cambridge.  
Becker and Becker, *The Economics of Life*, McGraw Hill.  
Elster, J., *Addiction*, Russel Sage  
Gigerenzer et al, *Simple Heuristics That Make Us Smart*, Oxford.  
Gintis et al, *Moral Sentiments and Material Interests*, MIT.  
Granovetter, *The Sociology of Every Day Life*, Westview.  
Hardin, *Trust and Trustworthiness*, Russel Sage.  
Henrich et al, *Foundations of Human Society*, Oxford.  
Hogarth, *Insights in Decision Making*, Chicago  
Kahneman et al, *Well-Being: The Foundations of Hedonic Psychology*, Russell Sage.  
Kahneman and Tversky, *Choices, Values and Frames*, Cambridge.  
Lowenstein et al, *Time and Decision*, Russel Sage.  
Thaler, R., *Quasi-Rational Economics*, Russell Sage.  
Thaler, R., *Advances in Behavioral Finance*, Russell Sage.

**Course Requirements/Assessments:**

Final grades will be based on four problem sets (25%), a midterm examination (20%, tentatively scheduled for the week of October 16th), a final (25%, scheduled by the registrar's office), and a term paper (30%, due November 30th). There will be no make-up or deferred exams; late work will not be accepted.

The four problem sets will involve the analysis of problems using methods developed in class and in the readings. In addition to being graded for completeness, these problem sets serve as practice for exams.

For the term paper, you should choose a topic of interest and analyze it using the tools discussed in class. A brief summary of your paper is due by October 24th. Your summary should include a description of your research question, the methods you will be using, and at least two references you have consulted. For information on the format of the paper, please consult my notes on writing a term paper. The final draft must be typed, double-spaced, and include a list of references. Early drafts can be turned in on November 16th for peer review by others in the class. More on this process will be discussed in class.

Tests and final exams are marked on a numerical (percentage) basis and converted to letter grades. The course grade is then calculated using the weights above.

**Desire2Learn** This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at <http://d2l.ucalgary.ca> through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

**Grade Determination and Final Examination Details**

Department of Economics Criteria for Letter Grades. Economics professors use the following criteria when assigning letter grades:

Grade	Grade Point Value	Description	Grade	Grade Point Value	Description
A+	4.00	Outstanding	C+	2.30	
A	4.00	Excellent-superior performance, showing-comprehensive understanding of subject matter	C	2.00	Satisfactory – basic understanding of the subject matter
A-	3.70		C-	1.70	Receipt of a grade point average of 1.70 may not be sufficient for promotion or graduation. (See individual undergraduate faculty regulations.)
B+	3.30		D+	1.00	
B	3.00	Good – clearly above average performance with knowledge of subject matter generally complete.	D	1.00	Minimal pass – marginal performance; generally insufficient preparation for subsequent courses in the same subject.
B-	2.70		F	0	Fail – unsatisfactory performance or failure to meet course requirements
			I	0	Incomplete – unsatisfactory (effective January 2007)

**Grading Scale**

A+	95 – 100	B	73 – 76	C-	60 – 62
A	85 – 94	B-	70 – 72	D+	56 – 59
A-	80 – 84	C+	67 – 69	D	50 – 55
B+	77 – 79	C	63 – 66	F	0 – 49

A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

If, for some reason, the distribution of grades determined using the aforementioned conversion chart appears to be abnormal, the instructor reserves the right to change the grade conversion chart if the instructor feels it is necessary to more fairly represent student achievement.

There will be a Registrar scheduled final examination, held in a classroom, lasting 2 hours. Non-programmable calculators will be allowed during the writing of tests or final examinations.

Tests and exams will not involve multiple choice questions.

## Reappraisal of Grades

For reappraisal of graded term work, see Calendar I.2

<http://www.ucalgary.ca/pubs/calendar/current/i-2.html>

For reappraisal of final grade, see Calendar I.3

<http://www.ucalgary.ca/pubs/calendar/current/i-3.html>

A student who feels that a piece of graded term work (e.g., term paper, essay, test) has been unfairly graded, may have the work re-graded as follows. The student shall discuss the work with the instructor within 15 days of being notified about the mark or of the item's return to the class; no reappraisal of term work is permitted after the 15 days. If not satisfied, the student shall immediately take the matter to the Head of the department offering the course, who will arrange for a reassessment of the work within the next 15 days. The reappraisal of term work may cause the grade to be raised, lowered, or to remain the same. If the student is not satisfied with the decision and wishes to appeal, the student shall address a letter of appeal to the Dean of the faculty offering the course within 15 days of the unfavourable decision. In the letter, the student must clearly and fully state the decision being appealed, the grounds for appeal, and the remedies being sought, along with any special circumstances that warrant an appeal of the reappraisal. The student should include as much written documentation as possible.

## Plagiarism and Other Academic Misconduct

Intellectual honesty is the cornerstone of the development and acquisition of knowledge and requires that the contribution of others be acknowledged. Consequently, plagiarism or cheating on any assignment is regarded as an extremely serious academic offense. Plagiarism involves submitting or presenting work in a course as if it were the student's own work done expressly for that particular course when, in fact, it is not. Students should examine sections of the University Calendar that present a Statement of Intellectual Honesty and definitions and penalties associated with Plagiarism/Cheating/Other Academic Misconduct,

<http://www.ucalgary.ca/pubs/calendar/current/k-5.html>

## Academic Accommodation

Students seeking an accommodation based on disability or medical concerns should contact Student Accessibility Services; SAS will process the request and issue letters of accommodation to instructors. For additional information on support services and accommodations for students with disabilities Visit [www.ucalgary.ca/access/](http://www.ucalgary.ca/access/).

Students who require an accommodation in relation to their coursework based on a protected ground other than disability should communicate this need in writing to their Instructor. The full policy on Student Accommodations is available at <http://www.ucalgary.ca/policies/files/policies/student-accommodation-policy.pdf>

## Absence from a Quiz/Test/Exam

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES/TESTS/EXAMS under any circumstances, nor may the quizzes/tests/exams be written early. Students unable to write the quizzes/tests/exams because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned. If a student cannot write their final exam on the date assigned by the Registrar's Office, they need to apply for a deferred exam [www.ucalgary.ca/registrar/exams/deferred\\_final](http://www.ucalgary.ca/registrar/exams/deferred_final) Under no circumstance will this be accommodated by the department.

**Important Dates**

Please check: <http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html>

Faculty of Arts Students' Association (F.A.S.A.):

Economics Department Representative

Office: SS 803, E-mail: [econrep@fasaucalgary.ca](mailto:econrep@fasaucalgary.ca) Web: [www.fasaucalgary.ca](http://www.fasaucalgary.ca)

Society of Undergraduates in Economics

[www.ucalgarysue.com](http://www.ucalgarysue.com)

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career partnerships with the Career Centre through hosting industry nights and information sessions, recognizing achievements in teaching, and organizing social events for members.

*Faculty of Arts Program Advising and Student Information Resources*

- Have a question, but not sure where to start? The Arts Students' Centre is your information resource for everything in Arts! Drop in at SS102, call them at 403-220-3580 or email them at [artsads@ucalgary.ca](mailto:artsads@ucalgary.ca). You can also visit the Faculty of Arts website at <http://arts.ucalgary.ca/undergraduate> which has detailed information on common academic concerns, including program planning and advice.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625] or visit them in the MacKimmie Library Block.
- Online writing resources are available at <http://www.ucalgary.ca/ssc/resources/writing-support>

**Evacuation Assembly Point**

In case of an emergency evacuation during class, students must gather at the designated assembly point nearest to the classroom. The list of assembly points is found at <https://www.ucalgary.ca/emergencyplan/home/evacuation-assembly-points>

Please check this website and note the nearest assembly point for this course

**Safewalk**

The Safewalk program provides volunteers to walk students safely to their destination anywhere on campus. This service is free and available 24 hrs/day, 365 days a year.

**Call 403-220-5333**