

Module Code	ECS3010
Module Title	Behavioural Economics
Level	6
Credit	30
Owning Subject	Economics
Level Restrictions	

Aims

This module provides a comprehensive exposure to the insights and methods of behavioural and experimental economics. The module consists of two parts. The first one is aimed to provide a formal framework for the analysis of strategic interactions, and as such is designed to introduce the main solution concepts in Games of Strategy. The second part of the module is intended to assess the predicted power of the different solution concepts when it comes to actual human behaviour and real experimental data. Recent findings from behavioural and experimental design are discussed and departures from equilibrium predictions are rationalized using alternative solution concepts. Applications and everyday examples are provided of problems facing individuals, groups and organisations when making economic decisions in a complex world.

Learning Outcomes

Knowledge

On completion of this module the successful student will be able to:

1. formulate equilibrium predictions in strategic situations;
2. understand individual behaviour and explain paradoxes that contradict classical theories in the field of individual decision making;
3. understand the proper role of methodology, experimentation and statistical inference in studying economic behaviour;

Skills

This module will call for the successful student to:

4. recognise the importance of strategic thinking in reaching decisions and apply the knowledge of how we act, often erroneously, in economic interactions;
5. an understanding of the approach of behavioural economics, and an appreciation of insights from behavioural economics in contemporary economic thinking and policy settings;
6. distinguish individual and group decisions from organizational decisions and influencing others.

Syllabus

A. Games of Strategy

- Introduction: how to think about strategic games
- Simultaneous-move games
- Games with sequential moves
- Strategic moves: commitments, threats and promises

B. Current Topics in Behavioural Economics

- Introduction & micro foundations
- Decision making heuristics: biases, motivation & judgement
- Expected utility & alternatives
- Fairness and social preferences
- Bounded rationality
- Incentives and cheating
- Economic behaviour in financial markets
- Nudging

Learning, Teaching and Assessment Strategy

A two-hour session each week for lecture and workshop to be used flexibly to introduce, explain and consolidate new material and theoretical concepts, discuss and debate on how decisions and judgements are being or should be made in real life and economic environments. Sessions will alternate with relevant experiments in different fields, and with group presentations. Experiments and behavioural data in game such as the travellers' dilemma, the beauty contest, the centipede game, or public good games will be discussed.

Assessment scheme

Formative assessment and feedback will take place during sessions, where students will be expected to discuss the readings assigned the previous week and the information they have researched on an assigned topic. Feedback will also be given after each group or individual activities done in class or on-line. One-to-one consultations are available during office feedback hours.

Summative assessment

1. Short presentation in Week 13 of one of the topics in behavioural economics, worth 30% to assess learning outcomes 2, 3, 4, 5 & 6.
2. An in-class test in Week 19, on the first part of the module (Games of Strategy), worth 40% to assess learning outcomes 1, 3 & 5.
3. A 1500 word individual report, worth 30%, to be submitted in week 23, based on one of the topics in behavioural economics. This individual report assesses learning outcomes 2, 4 & 6.

An overall grade of 40% or better is required to pass the module.

Assessment Weighting

Short presentation: 30%; In-class test: 40%; Individual report: 30%,

Learning Materials

Your online reading lists can be accessed from the My Study area of UniHub. They highlight essential and recommended reading for all modules you are registered on.

MODULE RUNS

Module Leader	Future Academic Year	Term	Campus	Part of Term	Start/End Dates	Max Nr of Students
Ismael Rodriguez-Lara	2018/ 2019	Autumn	HEN- Hendon Campus	AY- Academic Year	12-OCT- 18 / 03- MAY-19	199
Ismael Rodriguez-Lara	2019/ 2020	Autumn	HEN- Hendon Campus	AY- Academic Year	07-OCT- 19 / 11- APR-20	199
Ismael Rodriguez-Lara	2020/ 2021	Autumn	HEN- Hendon Campus	AY- Academic Year	05-OCT- 20 / 09- APR-21	199
Ismael Rodriguez-Lara	2021/ 2022	Autumn	HEN- Hendon Campus	AY- Academic Year	05-OCT- 21 / 09- APR-22	199
Ismael Rodriguez-Lara	2022/ 2023	Autumn	HEN- Hendon Campus	AY- Academic Year	03-OCT- 22 / 10- APR-23	199