



ECONOMICS 344: BEHAVIORAL ECONOMICS

Fall 2018

Instructor:	Christopher John F. Cruz	Time:	TTh 2:00 – 3:15pm
Office:	University Hall 813	Place:	BSB 311
Email:	ccruz36@uic.edu	Mobile:	312.951.3262

Course Page: <https://uic.blackboard.com/>

Office Hours: Tuesdays, 3:30-4:30pm; Thursdays, 11:00am-12:00pm or by appointment

Main References:

- Erik Angner, *A Course in Behavioral Economics*, 2nd ed., Palgrave 2016. (**A**)
- Richard H. Thaler & Cass R. Sunstein, *Nudge*, Yale University Press: New Haven 2008. (**TS**)
- Uri Gneezy & John List, *The Why Axis: Hidden Motives and the undiscovered Economics of Everyday Life*, Public Affairs: New York 2013. (**GL**)
- Additional online readings and assignments on Blackboard

Objectives: This course is primarily designed for advanced undergraduate students, and will introduce students to the emerging field of Behavioral Economics. Students will learn how to identify when analysis from a traditional economic perspective could benefit from questions from a behavioral economics perspective. In studying how people make economic decisions from the point of view of behavioral economists, the class will answer interesting questions such as “Why do people fail to lose weight or keep their new year resolutions?,” “How to choose a wingman (or wingwoman)?,” “How to design effective marketing schemes?,” “Are humans predictably selfish, altruistic, or a mix?” The course will include lecture, experiments, group work, economic activities, written assignments, and quizzes.

Class Experiments: The class will be using Moblab for economic games and experiments. Students are expected to purchase a Moblab account and download the Moblab app on their mobile phones to participate in in-class activities. Sign up at moblab.com and use the code `vmta6ast3` to register for the class UIC Econ 344 Fall 2018.

Evaluation Criteria: Regular attendance and participation are very important for this course. Credit for the course will be based on class participation and attendance (10%), written assignments (35%), group project (10%) and the three long exams (45%). Written assignments will include critical reviews of research, discussion, and economic reasoning problems. Surprise quizzes may be given in class and will form part of the assignment grading. The exams will be closed book, in class. Failure to take an exam will result in full loss of points unless the instructor agrees to a make-up examination. An acceptable written documentation is necessary for a make-up exam to be granted. Only the instructor can grant permission for a make-up exam.

Tentative Course Outline

Class	Topics	Readings and Assignments
Week 1: 8/28, 8/30	Course Overview, Thinking Like an Economist And a Human	Angner (A) Chapters 1-2, Introduction to Why Axis (GL) pp 1-17 and Chapter 6; Thaler-Sunstein (TS) Intro and Chapter 1
Out of class	Introduction to Human Subjects Research	IRB Training Group 2. Human Subjects Research (HSR): Social Behavioral - Educational Research Investigators and Key Personnel Group 2. Human Subjects Research (HSR): Social Behavioral - Educational Research Investigators and Key Personnel (considered as <i>Critical Review</i> 1 & 2, due 9/15, 11.59pm)
Week 2: 9/4, 9/6	Decision Making Under Certainty [MobLab Competitive Markets]	A Chapter 3; GL Chapters 9, 10; TS Chapters 2-3 <i>Critical Review</i> 3 due 9/8, 11.59pm
Week 3: 9/11, 9/13	Judging Probabilities; Bayesian Updating Field Experiment 1: "Who Gets Help?" with results presentation on 9/25; [MobLab Market Structures, Monty Hall]	A Chapter 4; GL Chapters 9-10; TS Chapters 4-5; IRB Completion Certificate Due 9/15, 11.59pm
Week 4: 9/18, 9/20	Judging Risk and Uncertainty Fallacies [MobLab Consumer Choice]	A Chapter 5; GL Chapters 2-3; TS Chapter 6
Week 5: 9/25, 9/27	Field Experiment: 1 Results Presentation; Review	9/27: Exam1
Week 6: 10/2, 10/4	Rational Choice under Risk and Uncertainty Field Experiment 2: "Michigan Ave. Directions" with results presentation on 10/16; [MobLab Insurance Market]	A Chapter 6; GL Chapter 6; TS Chapter 7
Week 7: 10/9, 10/11	Decision-Making under Risk and Uncertainty [MobLab Risk-Uncertainty]	A Chapter 7, 10; TS Chapters 8-9 <i>Critical Review</i> 4 due 10/4, 2pm

Tentative Course Outline, *cont'd*

Class	Topics	Readings and Assignments
Week 8: 10/16, 10/18	Discounting Utility Field Experiment 2: Results Presentation [MobLab Discounting]	A Chapter 8; GL Chapter 5; TS Chapter 10
Week 9: 10/23, 10/25	Intertemporal Choice [MobLab Asset Market]	A Chapter 9; GL Chapters 7-8; TS Chapters 11-12
Week 10: 10/30, 11/1	Analytic Game Theory and Behavioral Game Theory [MobLab Prisoner's Dilemma, Ultimatum Game]	A Chapters 10, 11; TS Chapters 13-15 <i>Critical Review</i> 5 due 11/1, 2pm
Week 11: 11/6, 11/8	Review	11/8: No class (but time may be used for project)
Week 12: 11/13, 11/15	Exam 2, Behavioral Welfare Economics I [MobLab Keynesian Beauty Contest]	11/13: Exam 2 ; A Chapter 12, GL Chapter 11; TS Chapter 16
Week 13: 11/20, 11/22	Thanksgiving Week	11/20: No class (but time may be used for project)
Week 14: 11/27, 11/29	Behavioral Welfare Economics II	A Chapter 12, GL Chapter 11; TS Chapter 16
Week 15: 12/4, 12/6	Extensions, Project Presentations, Review	A Chapter 13, TS Chapters 17-18
Week 16: 12/10-12/14	Exam 3	Date, Location TBA

Class Policy:

- Regular attendance and participation are very important for this course. A portion of the credit for the course will be based on class participation (10%).
- Late work will not be accepted, but a homework may be excused due to extenuating circumstances. Missing assignments and examinations will earn zero points.

Academic Integrity Policy: As an academic community, UIC is committed to providing an environment in which research, learning, and scholarship can flourish and in which all endeavors are guided by academic and professional integrity. All members of the campus community—students, staff, faculty, and administrators—share the responsibility of insuring that these standards are upheld so that such an environment exists. Instances of academic misconduct by students will be handled pursuant to the Student Disciplinary Policy: [https://dos.uic.edu/docs/Student%20Disciplinary%20Policy%202017-18%20\(FINAL\).pdf](https://dos.uic.edu/docs/Student%20Disciplinary%20Policy%202017-18%20(FINAL).pdf)

Religious Holidays: Students who wish to observe their religious holidays shall notify the faculty member by the tenth day of the semester of the date when they will be absent unless the religious holiday is observed on or before the tenth day of the semester. In such cases, the student shall notify the faculty member at least five days in advance of the date when he/she will be absent. The faculty member shall make every reasonable effort to honor the request, not penalize the student for missing the class, and if an examination or project is due during the absence, give the student an exam or assignment equivalent to the one completed by those students in attendance. If the student feels aggrieved, he/she may request remedy through the campus grievance procedure.

Disability Accommodation: The University of Illinois at Chicago is committed to maintaining a barrier-free environment so that students with disabilities can fully access programs, courses, services, and activities at UIC. Students with disabilities who require accommodations for access to and/or participation in this course are welcome, but must be registered with the Disability Resource Center (DRC). You may contact DRC at 312-413-2183 and consult the following: <http://drc.uic.edu/>

University Resources

- The **Writing Center**, located in Grant Hall 105, offers one-on-one consultation with student writers who need help developing ideas, or need advice, guidance or additional instruction on any aspects of writing in any class. Tutors are prepared to spend fifty minutes per appointment, and there is no limit to the number of tutoring sessions you can have each semester. Make an appointment and be on time! Bring the paper on which you're working, as well as any related drafts or notes, and information about the assignment. For an appointment, call the Writing Center at (312) 413-2206, or stop by room 105 of Grant Hall.
- The **Academic Center for Excellence** can help if you feel you need more individualized instruction in reading and/or writing, study skills, time management, etc. Phone: (312) 413-0031.
- **Counseling Services** are available for all UIC students. You may seek free and confidential services from the Counseling Center www.counseling.uic.edu. The Counseling Center is located in the Student Services Building; you may contact them at (312) 996-3490. In addition to offering counseling services, the Counseling Center also operates the InTouch Crisis Hotline from 6:00 p.m.-10:30 p.m. They offer support and referrals to callers, as well as telephone crisis interventions; please call (312) 996-5535.