

MA-Economics

Area of Specialization “Behavioral and Experimental Economics”

WU

**WIRTSCHAFTS
UNIVERSITÄT
WIEN VIENNA
UNIVERSITY OF
ECONOMICS
AND BUSINESS**

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What is Behavioral Economics?

- Behavioral Economics (BE) is an exciting new field
- Based on (experimental) evidence rather than abstract assumptions
- “Homo Sapiens” rather than “Homo Oeconomicus”

What is an economic experiment?

		Prisoner 2	
		Not confess (NC)	Confess (C)
Prisoner 1	Not confess (NC)	$(-1, -1)$	$(-9, 0)$
	Confess (C)	$(0, -9)$	$(-6, -6)$

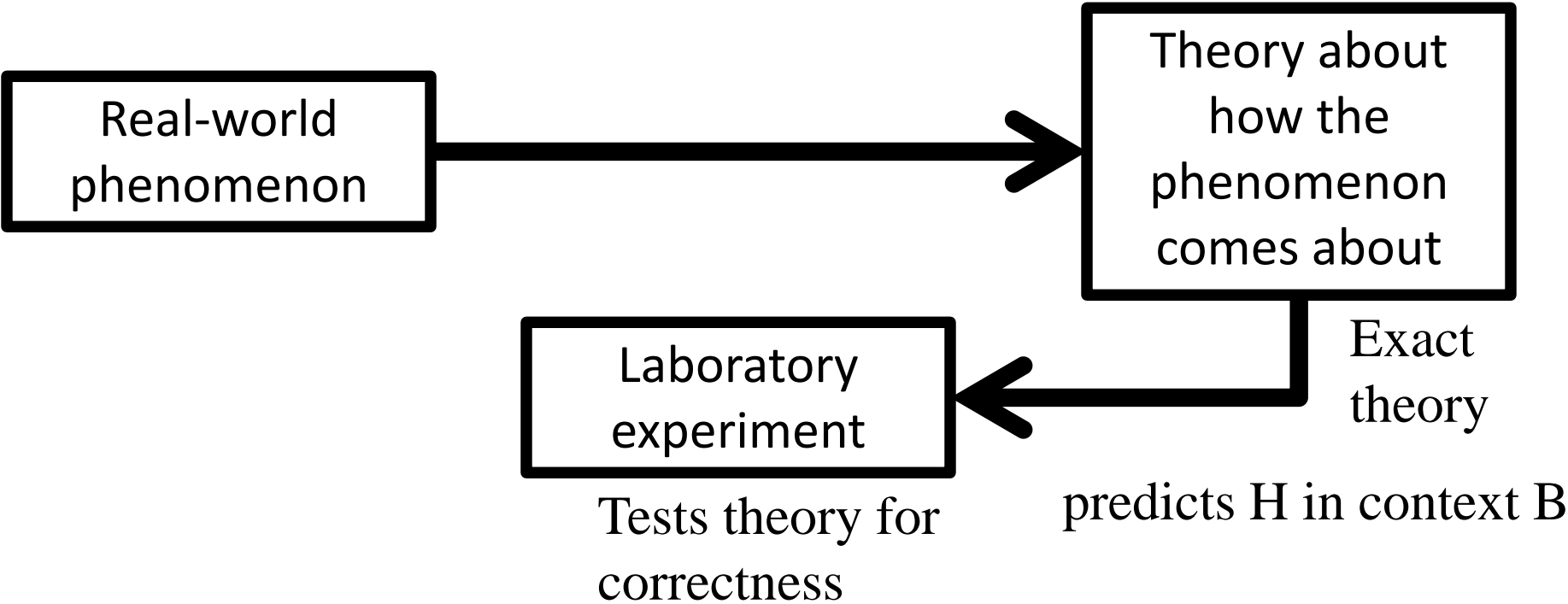
- Choosing an option has economic (€) consequences
- Theoretical predictions
- Q: Does behavior differ from predictions? → modify theory (Behavioral Economics)

What is not an economic experiment?



- Lack of “induced” preferences
- Here, economic theory offers no prediction

Experiments and Theory (science view)



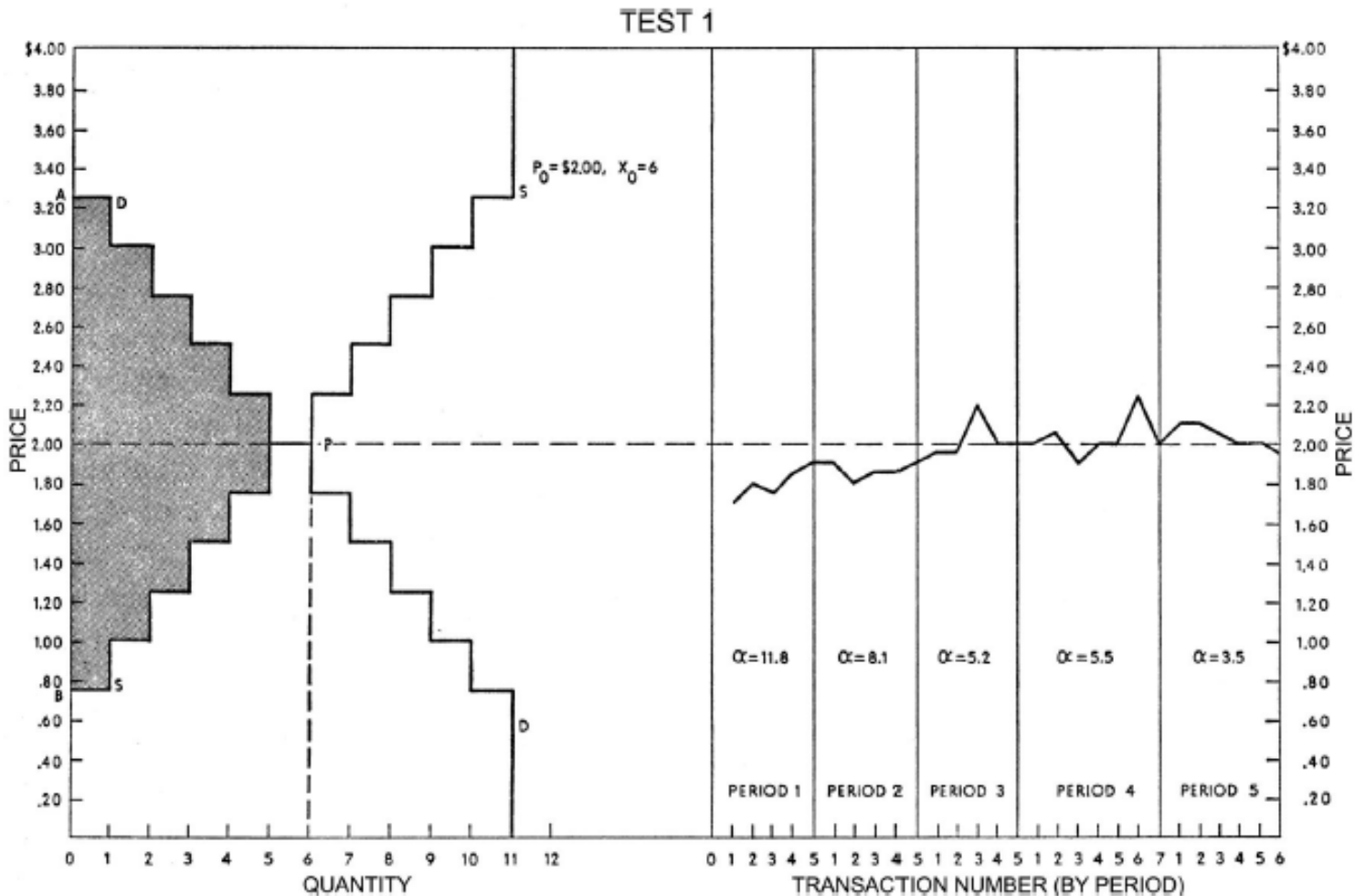
Specialization Course

We meet every week on Thursday: 09:00 - 11:30

In the lectures, will cover a selection of topics in behavioral economics, e.g.

- Bargaining
- Cooperation
- Coordination
- Social Preferences (Fairness, honesty, etc.)
- Heuristics & Biases
- Auctions & Markets

Smith (1962): Famous market experiment



Research & Policy Seminar

We meet every week on Tuesday: 14:00-15:30

In the seminar, you will work on an experimental project

- Elaborate & test a research question. This can be either:
 - Extension of an existing paper
 - Your own proposal
 - An assignment given to you

(you will work on these projects in groups)

Research & Policy Seminar:

We meet every week on Tuesday: 14:00-15:30

- Steps involved
 - Designing the experiment
 - Writing the instructions
 - *Depending on progress: Programming, recruitment of subjects and conducting the experiment at WULABS, data analysis*
 - Presentation
 - Term Paper

- Professionally serviced laboratory
- Hosted by WU Competence Center for Experimental Research
<https://www.wu.ac.at/en/exp/>





Lecture course:

- Mid-term exam 40%
- Homework assignments 20%
- Final exam 40%

Research seminar:

- 2 Presentations á 15%
 - 1st on research idea & design, 2nd on final experimental design
- Term paper is given 70%