

Specialization: Behavioral and Experimental Economics



Rupert Sausgruber, Univ.Prof.Dr.
(Department of Economics)

Winter term 2022/23

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What is Behavioral Economics

- Behavioral Economics: *“the attempt to increase the explanatory and predictive power of economic theory by providing it with more psychologically plausible foundations.”* Agner (2016)
 - The main aim of the course is to make better decision makers.
 - In each topic we will review the neoclassical (or standard) theory of behavior.
 - I then we will highlight departures from this standard theory, you should recognize these same departures in your own decision-making.
 - Alternative theories of behavior will be presented that go some way to explaining departures from the standard theory.

Main topics covered in the course

1. Choice under certainty.
 2. Judgement and choice with risk and uncertainty.
 3. Intertemporal choice.
 4. Other-regarding preferences.
- Literature: Angner, E. (2016). A Course in Behavioral Economics. 2nd Ed. Palgrave Macmillan. E-book available in the library.

An Example

- *"Linda is thirty-one years old, single, outspoken, and very bright. She majored in philosophy. As a student, she was deeply concerned with issues of discrimination and social justice, and also participated in antinuclear demonstrations."*

- a) A Linda works in a bank.
- b) B Linda works in a bank and is a feminist.

- There will be a midterm exam accounting 40% of the grade for the course.
- Another 20% will come from working on problem sets during the semester.
- The remaining 40% come from a second exam.
- I try to do tutorials in class, i.e., when appropriate, I will present solutions to problem sets in the lecture.

Research & Policy Seminar: Behavioral and Experimental Economics



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- Economics as an experimental science
- Experimental design
- Aims and scope of experiments
- Arguments raised against experiments

→ Students will work on an experimental project

The projects

- Proposed by students (or based on Assignments)
- Elaboration of the hypotheses, design of the experiment, pre-analysis plan, ethics proposal, ...

If you are interested in writing a MA-Thesis, you can ...

- run the study in real (at WULABS or online)
- apply for funding (WULABS plus scholarship)

2 Presentations:

The first presentation will be on the research question and the experimental idea; the second presentation will be on the final experimental design.

Write a research paper / pre-analysis plan / ethics proposal

70% research paper

15% each presentation