

# 78176 - BEHAVIORAL ECONOMICS

## syllabus

September 11, 2017

### **Lecture 1: Introduction** *September 20, 2017*

- Preliminaries
  - Information about the course, and the evaluation
- What is behavioral economics?
  - Camerer and Loewenstein (2003)
  - Dhami (2016, Introduction)
  - Cartwright (2014, Ch.1)
- Framing, anchoring, and preference reversal
  - Ariely et al. (2003)
  - Tversky and Thaler (1990)
  - Tversky and Kahneman (1986)
  - DellaVigna (2009, Sec.4)
  - Dhami (2016, 20.7; Ch.1)
  - Cartwright (2014, Ch.2-3)

### **Lecture 2: Decision making under risk** *September 22, 2017*

- Belief formation
  - DellaVigna (2009, Sec.3)
  - Dhami (2016, Ch.19)
  - Cartwright (2014, Ch.5)
- Preferences over risky and uncertain outcomes
  - Kahneman and Tversky (1979)
  - Tversky and Kahneman (1992)
  - Camerer (2003)
  - Dhami (2016, Ch.2)
  - Cartwright (2014, Ch.3)

**Lecture 3: Non-standard preferences** *September 27, 2017*

- Reference dependence, loss aversion and endowment effect
  - Kahneman et al. (1991)
  - Plott and Zeiler (2005)
  - Tversky and Kahneman (1991)
  - DellaVigna (2009, Sec.2.2)
  - Genesove and Mayer (2001)
  - Dhami (2016, Ch.3)
  - Cartwright (2014, Ch.2-3)
- Mental accounting
  - Thaler (1999)
  - Dhami (2016, Ch.20)
  - Cartwright (2014, Ch.2)

**Lectures 4 & 5: Intertemporal preferences** *September 29 & October 2, 2017*

- Time inconsistency and hyperbolic discounting
  - O'Donoghue and Rabin (1999)
  - Frederick et al. (2002)
  - Dhami (2016, Ch.9-11)
  - Cartwright (2014, Ch.4)
- Applications
  - Thaler and Benartzi (2004)
  - DellaVigna (2009, Sec.2.1)

**Lectures 6 & 7: Behavioral game theory** *October 5 & 18, 2017*

- Overview
  - Crawford (1997)
  - Goeree and Holt (2001)
  - Dhami (2016, Ch.12-13)
  - Cartwright (2014, Ch.6)
- Mixed strategies
  - Camerer (2002, Ch.3)
- Dominance solvable games
  - Camerer (2002, Ch.5)
- Learning
  - Camerer (2002, Ch.6)
  - Dhami (2016, Ch.14-15)

**Lectures 8 & 9: Social preferences** *October 20 & 23, 2017*

- Overview and theoretical approaches
  - Fehr and Schmidt (1999)
  - Rabin (1993)
  - Dhami (2016, Ch.5-6)
  - Cartwright (2014, Ch.7)
- Experimental evidence
  - Camerer (2002, Ch.2)
- Applications
  - Gneezy et al. (2010)
  - Falk (2007)

**Lecture 10: Criticisms and conclusions** *October 25, 2017*

- Criticisms
  - Levitt and List (2007)
  - Pesendorfer (2006)
- Conclusions
  - Cartwright (2014, Ch.11)

## References

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