

Economics 333-Behavioral and Experimental Economics
Rutgers University-Camden
Fall 2017 Syllabus

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Textbook: A Course in Behavioral Economics by Erik Angner, 1st edition

There are two main goals of the course. First, introduce the students to research on behavioral and experimental economics. Second, introduce the students to the features of the experimental methodology, so that the student can subsequently apply it in other contexts.

It is assumed that you have taken Principles of Microeconomics.

A project is given in lieu of a final exam. The project will be graded based on the proposal, the first draft, and the final draft.

Academic integrity violations are serious matters and will be handled in accordance with Rutgers University Policy. For more information, visit <https://academicintegrity.rutgers.edu>.

Students with disabilities should contact the Rutgers-Camden Office of Disability Services (ODS). For more information, visit <http://learn.camden.rutgers.edu/disability-services>. Accommodations will be made in accordance with Rutgers University Policy.

I only accept email attachments in pdf format.

Lecture notes will be posted on the course website after every class meeting.

¹ I will be in my office most days. Just send me an email to make sure.

² While I will respond as soon as possible, do not expect an instant response.

Grading:

Problem Sets: 10%

Participation in experiment: 5%

Class participation: 5%

Maximum of the following:

*Midterms Best 2 of 3: 30%

*All 30 Quizzes: 20%

*Final project: 30%

--Proposal 5%

--First Draft 5%

--Paper 20%

or

*All Three Midterms: 40%

*All 30 Quizzes: 20%

*Final project: 20%

--Proposal 5%

--First Draft 5%

--Paper 10%

or

*Midterms Best 2 of 3: 30%

*Quizzes: Best 20 of 30: 15%

*Final project: 35%

--Proposal 5%

--First Draft 5%

--Paper 25%

or

*All Three Midterms: 40%

*Quizzes: Best 20 of 30: 15%

*Final project: 25%

--Proposal 5%

--First Draft 5%

--Paper 15%

The class participation portion of the grade will be determined by classroom behavior. Constructive comments or questions will lead to a higher grade. Distractions, such as taking during class or use of any electronic device during class, will lead to a lower grade.

There are no makeup midterms for any reason. If you miss a midterm then this will count as your lowest exam. Midterms will be given in class on **October 2, November 6, and December 11.**

Thirty in-class quizzes will be given. These quizzes will be given at the beginning, the middle, or the end of class. There are no makeup quizzes for any reason, including arriving late or leaving early. If you miss a quiz then you will receive a score of zero.

However, up to 10 quizzes may not count towards your grade. Quizzes are designed to test basic comprehension and will only take a few minutes. Notes taken during class can be used during the quiz.

Exams require the use of a pencil. It is the responsibility of the student to bring their own pencil to exams. Quizzes require the use of a pencil or a pen. It is the responsibility of the student to bring their own pencil or pen to every class.

Review sessions will be given in class before every exam.

Participation in an experiment will account for 5% of your grade.

Discussion of Project

Every student must complete a final project. The topic of the project will take the form of a proposal for an experiment. Although the execution of an experiment faces many constraints (subjects, money, etc.), the project can be written as if they experimenter does not face such constraints.

A good project will

1. Precisely specify an experiment
2. State why the results of the experiment are interesting, and
3. State what is known about the topic

The timing of the project is as follows:

On **November 13** must submit a proposal of a half a page of text. This will be returned on November 20 with written feedback.

On **November 27** must submit a first draft of no less than 2 pages of text, not including the list of references, graphs, tables, and experimental instructions. This will be returned on December 4 with written feedback.

By **December 11** must submit a final draft of the paper of no less than 2 pages of text, not including the list of references, graphs, tables, and experimental instructions.

All written material associated with the project must be typed.

The grade of each portion of the project will be based on

1. Creativity
2. Effectiveness
3. Demonstration of the material discussed in the course

In addition to the course textbook, the students are encouraged to search for inspiration elsewhere. Predictably Irrational by Dan Ariely is a good place to start.

Schedule

September 11 (Quizzes 1 and 2)

Lecture 1

Chapter 1-Introduction

Lecture 2

Chapter 2-Rational Choice under Certainty

September 18 (Quizzes 3, 4, and 5)

Lecture 3

Chapter 2-Rational Choice under Certainty

Lecture 4

Chapter 3-Decision-Making under Certainty

September 25 (Quizzes 6, 7, and 8)

Lectures 5 and 6

Chapter 3-Decision-Making under Certainty

October 2

First Midterm Review

First Midterm

October 9 (Quizzes 9 and 10)

Lecture 7

Sections 4.1 through 4.3-Introduction, Fundamentals of probability theory, Unconditional probability

Lecture 8

Sections 5.1 through 5.3-Introduction, The gambler's fallacy, Conjunction and disjunction fallacies

October 16 (Quizzes 11, 12, and 13)

Lecture 9

Section 4.4-Conditional probability

Lecture 10

Section 4.5-Total probability and Bayes' rule

October 23 (Quizzes 14, 15, and 16)

Lecture 11

Section 5.4-Base-rate neglect

Lecture 12

Sections 4.6 and 4.7-Bayesian updating, Discussion

October 30 (Quizzes 17, 18, and 19)

Lectures 13 and 14

Sections 5.5 through 5.7-Confirmation bias, Availability, Discussion

November 6
Second Midterm Review
Second Midterm

November 13 (Quizzes 20 and 21)
Lectures 15 and 16
Chapter 6-Rational Choice under Risk and Uncertainty
Proposal Due

November 20 (Quizzes 22, 23, and 24)
Lectures 17 and 18
Chapter 7-Decision-Making under Risk and Uncertainty
Proposal Returned

November 27 (Quizzes 25, 26, and 27)
Lecture 19
Chapter 7-Decision-Making under Risk and Uncertainty
Lecture 20
Chapter 8-Discounted Utility Model
First Draft Due

December 4 (Quizzes 28, 29, and 30)
Lectures 21 and 22
Chapter 9-Intertemporal choice
First Draft Returned

December 11
Third Midterm Review
Third Midterm
Final Draft Due