Early economists knew that their models described a simplified, idealized type of behavior, but it is only in the past few decades that we have systematically studied the ways in which human behavior is different from what “rational” models suggest. This course will explore theory and empirical research aimed at explaining key differences between standard economic models and the choices made by real people.

By the end of this course, you will be able to:
- Use standard economic models to predict economic behavior
- Identify situations where those models are insufficient, and apply the relevant behavioral models
- Compare the implications of different models of economic behavior for business and policy
- Read, understand, and critique empirical research in behavioral economics

Class structure
I. Consumer purchasing decisions Jan 20-Feb 15
II. Information and uncertainty Feb 17-Mar 7
III. Time Mar 14-Apr 6
IV. Social preferences Apr 11-Apr 27

Sakai:
You should always check Sakai to find out what to do for this class. For example, I may or may not announce reading assignments in class. I will always post them on Sakai. Key tabs include…
- Schedule: reading assignments, exam dates, homework deadlines
- Resources: supplemental readings, detailed information on assignments, problem sets, class slides

Participation: (50 points) This is a seminar course; you are responsible for its success. If I walked in 5 minutes late, I would expect to see you already engaged in a discussion of the day’s reading. For a high participation grade:
1. Read each of the assigned texts carefully and turn in the assigned response each class. If nothing more specific is assigned, you should write 1 page summarizing and commenting on the reading. Late responses and responses from students who are not present at the start of class will not be accepted. Instead, you may miss up to three responses without penalty.
2. Attend each class and participate in the discussions and other activities. You will sometimes disagree with your classmates on their understanding of the material or on how it should be interpreted. That’s what discussion is all about! Be respectful, but don’t be afraid to differ. I expect to hear at least one comment from each student in each discussion. Talk to me if you are struggling with class discussions—I can help.

You may miss three classes without penalty and without excuse. I expect these permitted absences to be used for things like travel or illnesses, so use them sparingly. Missing additional classes will only be excused with a doctor’s note or in exceptional circumstances in which I agree ahead of time.

Project: (150 points) The main assignment for this class is a group project in which you will choose an application, select the appropriate standard and behavioral economic models, determine their implications, and test them. You will present stages of your project in two in-class presentations and create a final poster
which will be used in a poster session during the last week of class. You may choose any topic you like; it could relate to the stock market, interactions with friends or classmates, politics, etc.

The deadlines and points for each portion follow. Each assignment after the first two must be typed and turned in as a hard copy at the beginning of class plus an electronic copy uploaded to the Sakai box by the beginning of class.

2/15 Skills assessment & group assignment 5 points
2/29 Topic description 5 points
3/16 Literature review/background summary 10 points
3/30 Theory and predictions 10 points
4/6 Empirical design 10 points
4/20 Preliminary analysis 10 points
5/2 Presentations 50 points
5/6 Poster session 50 points

I will not accept late assignments at any stage of this project. More details and rubrics will be distributed on 2/15 when we do group assignments.

**Homework**: (100 points total)
Homework will be due at the beginning of class on the due date. Late assignments will not be accepted. If necessary, homework can be turned in early to my box in Hepburn 102. You may complete these assignments in groups of 2 or 3. Make sure only active contributors get credit - if I hear reports of free-riding I will make them individual work.

**Exams**: (100 points total, 50 points each)
**Exam 1**: Wednesday, March 9th
**Exam 2**: Thursday, May 12 at 1:30pm
The exams will each be given a weight of 50 points each in the final grade. They are comprehensive with a focus on the most recent section of the material. Absences will result in a grade of zero for the exam. The format of any make-up exam is at the discretion of the instructor, and will only be given if arranged prior to the exam. Exams are independent work.

**Grading**: There are a total of 400 points available. Your grade is based on the percent of the points you scored. The grading scale will be no stricter than

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At my discretion I may reduce the points required for each grade at the end of the semester.

**Reading academic research**
In addition to the primary text, you will read and discuss academic papers. Instead of reading from start to finish in order as you would a novel, I recommend approaching each paper with specific questions and using the section headings to help you find the answers.

- Start by looking for the research question: what question are they trying to answer? This is likely to be in the introduction, but you might also need to look at the conclusions or other parts of the paper.
- Why do they think it matters? This should be in the introduction or background. Once you have found it, ask yourself whether you agree that the question matters and this research is needed.
- Next, look at the method: what method do they use to answer the question? How do they design their experiment or what data do they use? Once you understand their method, ask yourself what alternative methods they might have used instead. Is their choice a good one?
What are their predictions, and why? This is most likely to be found in a theory section but might be in the background. Once you have found it, ask yourself whether those predictions make sense. What other predictions might you make?

Finally, what is their answer to the research question? This will be in their results and summarized in their conclusion. Once you understand it, go back over the methods and results to decide whether you believe it. Are their problems with their method that undermine the result? Are the results robust or might they be a random consequence of statistical variation? What additional evidence do they use to support and explain the main result?

Often, you will have questions that you are not able to answer alone. Write those questions down and bring them to class. Also think about what additional questions the study raises—what didn’t they answer that you would have liked them to?

**Technology policy (laptops and phones):** I ask that you silence and put away anything that might distract you or your classmates unless I have requested that you use the device for class purposes (e.g., presentations or in-class experiments). Refrain from using your computer for anything not specifically relevant to the class.

**Honor code: copying and cheating:** Cheating will not be tolerated. Anyone caught cheating or turning in suspiciously similar work will be punished to the full extent outlined in the student handbook. I will recommend that you receive a minimum punishment of a zero grade in this course if you are deemed guilty of academic dishonesty on exams.

**Students with disabilities:** If you have a disability and may need accommodations please be sure to contact the Disability and Accessibility Services Office right away so they can help you get the accommodations you require: [http://www.stlawu.edu/special-needs](http://www.stlawu.edu/special-needs). If you will need to use any accommodations in this class, please talk with me early so you can have the best possible experience this semester. Although not required, I would like to know of any accommodations that are needed at least 10 days before a test, so please see me soon.

**Resources for victims of harassment or assault**

Title IX makes it clear that violence and harassment based on sex and gender are Civil Rights offenses subject to the same kinds of accountability and the same kinds of support applied to offenses against other protected categories such as race, national origin, etc. If you or someone you know has been harassed or assaulted, you can find the appropriate resources here: [http://www.stlawu.edu/associate-dean-student-life/sexual-assault-resources](http://www.stlawu.edu/associate-dean-student-life/sexual-assault-resources) or call the confidential 24-hour Sexual Violence Hotline at 315-244-5466.