ECON 6260 – Behavioral economics
Spring 2021 Syllabus
Department of Economics, The University of Toledo

Class Time:	MW 9:35am-10:55am, 6260 students also meet W 11:00am-11:50am
Classroom:	Off Campus REMOTE
Offered:	Spring 2021
Credit hours:	4
Course website:	`https://blackboard.utdl.edu`
Instructor:	Dr. James Bland University Hall 4140-D James.Bland@UToledo.edu `https://sites.google.com/site/jamesbland/home`
Office hours:	TRF 9:00am-3:00pm by appointment

This document was last updated on January 11, 2021

1 SPECIAL COURSE EXPECTATIONS DURING COVID-19

This class is listed as a synchronous online class. As such, we will be meeting via WebEx at the scheduled class times. I will use a combination of webcam, whiteboard, screen-sharing, and a document camera to deliver the material. I will record all content during class, and post it to Blackboard.

If my childcare constraints change, I may switch some classes to asynchronous learning.

Classes will involve discussions, and require participation. To fully participate in class, you will therefore need a computer with reliable internet access and a microphone. A webcam is encouraged, but not needed. All software software used in this course will be either freely available, or accessible through the UToledo virtual lab.

I am available for office hours during the times listed above, but due to childcare constraints, I will need to make an appointment with you. If you would like to book in a meeting, please just send me an email.

Below is the UToledo Syllabus language specific to COVID-19, but not specific to this course.

1.1 ATTENDANCE

The University of Toledo has a missed class policy. It is important that students and instructors discuss attendance requirements for the course. Students must perform a daily health assessment, based on based on CDC guidelines, before coming to campus each day, which included taking their temperature. Students who are symptomatic/sick should not come to class and should contact the Main Campus Health Center at 419-530-3451. Absences due to COVID-19 quarantine or isolation requirements are considered excused absences. Students should notify their instructors and these absences may not require written notice.

1.2 FACE COVERINGS

All students must wear face coverings while on campus, except while eating, alone in an enclosed space, or outdoors practicing social distancing. NO students will be permitted in class without a

face covering. If you have a medical reason that prevents you from wearing a face covering due to a health condition deemed high-risk for COVID-19 by the Centers for Disease Control and Prevention (CDC), you should submit a request for an accommodation through the Student Disability Services Office (SDS) by completing the online application. Students will need to provide documentation that verifies their health condition or disability and supports the need for accommodations. If a student is already affiliated with SDS and would like to request additional accommodations due to the impact of COVID-19, should contact their accessibility specialist to discuss their specific needs.

1.3 SOCIAL DISTANCING

Students should practice social distancing inside and outside the classroom please follow signage and pay attention to the seating arrangements. Do not remove stickers or tape from seats and/or tables, this is there to provide guidance on the appropriate classroom capacity based on the recommended 6 feet of social distancing between individuals. Please be conscious of your personal space and respectful of others. Also be cognizant of how you enter and exit the room; always try to maintain at least 6 feet of distance between yourself and others.

1.4 DESKS AND WORK SPACES

Students will need to sanitize their desks and/or work space before class with the University provided sanitizing spray and paper towels their desks.

1.5 SPECIAL NOTES

It's important to note that based on the unpredictability of the COVID-19 virus things can change at any time so please be patience and understanding as we move through the semester. I also ask that you keep me informed of concerns you may have about class, completing course work/assignments timely and/or health concerns related to COVID.

2 Catalog course description

Economic analysis of decisions made by people. Topics include decision-making under risk and uncertainty, strategic decision-making, and experimental economics.

3 Course overview

This is an first-year graduate course in theoretical and applied behavioral economics. This course will aim at establishing an understanding of the differences between normative and positive Microeconomics. That is, the difference between what people *should* do if they are trying to make themselves as well off as possible, and what they *actually* do. In some cases, these are the same thing. However in others, humans' behavior systematically departs from predictions made by models assuming that they are rational and selfish economic agents.

The course studies this economic behavior through the methodology of *experimental economics*. Taking this course will be "a little like going to dinner at a cannibal's house. Sometimes you will be the diner, sometimes you will be part of the dinner, sometimes both. If you take a laboratory course in the physical sciences, you get to mix smelly chemicals, or monkey with pulleys, or dissect a frog,

but you are always the experimenter and never the subject of the experiment. In ... this class, you and your classmates will be the participants in the markets as well as the scientific observers who try to understand the results" (quoted from Bergstrom, T. and Miller, J. H. (1997). *Experiments with Economic Principles: Microeconomics*. New York: McGraw-Hill).

4 Student learning outcomes

Upon completion of this course, students will:

1. Explain the difference between between positive and normative economics, especially in the context of individual decision making and strategic thinking.
2. Solve, derive implications of, and compare alternative models of decision-making in economics.
3. Solve, derive implications of, and compare alternative models of strategic reasoning in economics.
4. Explain how experimental techniques can be used to answer questions in economics, and how these techniques can complement the use of observational data.
5. Evaluate and communicate the merits of experimental design choices.
6. Judge the appropriatelness of various econometric techniques in the context of economic experiments.
7. Communicate their own critical opinions on scholarly work in behavioral and experimental economics

5 Prerequisites and co-requisites

ECON 4/5810 *Econometrics Models I*

6 Instructional material

6.1 Required

- Holt, C. A. (2019). *Markets, games, and strategic behavior: An introduction to experimental economics*. Princeton University Press

  You will read at least 10 chapters of this. The first edition will be OK for most of these chapters, but I will assume that you have access to all of the content in the 2nd edition.

6.2 Additional references

I will not assume that you have a copy of these, but if you are looking for some more reading, these might be a good place to start.

Behavioral economics references

- Angner, E. (2016). *A Course in Behavioral Economics 2e.* Palgrave Macmillan
- Camerer, C. F. (2011). *Behavioral game theory: Experiments in strategic interaction.* Princeton University Press
- Goeree, J. K., Holt, C. A., and Palfrey, T. R. (2016). *Quantal Response Equilibrium: A Stochastic Theory of Games.* Princeton University Press

Game theory references (that are not Behavioral game theory references)

- Gibbons, R. (1992). *Game theory for applied economists.* Princeton University Press
- Osborne, M. J. and Rubinstein, A. (1994). *A course in game theory.* MIT press

Econometrics references

- A good general reference is:

  Bailey, M. A. (2016). *Real econometrics: The right tools to answer important questions.* Oxford University Press

- Econometrics specific to analyzing data from economic experiments:

  Moffatt, P. G. (2015). *Experimetrics: Econometrics for Experimental Economics.* Palgrave Macmillan

7 Technology expectations

You will participate in some economic expriments during class. These will be completed using the computers in the classroom. You will be expected to be able to use a web browser.

For homework, you will be required to analyze data, most of which will be generated in the classroom experiments. You may be asked to perform statistical tests and plot data using a software package of your choice. This could include, but is not limited to, *Stata*, *Matlab*, *R*, or *Python*.

8 University policies

8.1 Policy Statement on Non-Discrimination on the basis of Disability (ADA)

The University is an equal opportunity educational institution. Please read The University's Policy Statement on Nondiscrimination on the Basis of Disability Americans with Disability Act Compliance

8.2 Academic accommodations

The University of Toledo is committed to providing equal opportunity and access to the educational experience through the provision of reasonable accommodations. For students who have an accommodations memo from Student Disability Services, it is essential that you correspond with me as soon as possible to discuss your disability-related accommodation needs for this course. For students not registered with Student Disability Services who would like information regarding eligibility for academic accommodations due to barriers associated with a potential disability, please contact the Student Disability Services Office.

9 Academic policies

As a student in my course and enrolled at The University of Toledo you should be familiar with the policies that govern the institution's academic processes, for example, Academic Dishonesty, Enrollment Status, and Grades and Grading. Please read the Graduate Academic Policies.

9.1 Missed class policy

Students are expected to attend every class meeting of courses in which they are registered. Please read the Missed Class Policy.

10 Overview of course grade assignment

10.1 Midterm grading

Midterm grades will be calculated as the number of points that were earned by the student divided by the number of points that were available to the student at the time that midterm grades are submitted. Midterm grades are important because they give students information about their progress through the course.

10.2 Final grading

The grading scale will be as follows:

	-		+
A	88-91	92-100	N/A
B	76-79	80-83	84-87
C	64-67	68-71	72-75
D	50-54	55-59	60-63
F		<50	

Final grades will be calculated as follows:

Assessment	Weight
Midterm exam	20%
Final Exam	20%
Homework	30%
Presentation	30%

10.3 Assessment

Homework: Homework will be the first time you are presented with new material. In particular, during the class before homework is assigned, you will participate in a classroom experimet. The data generated in that experiment will be the focus of your homework.

Homework will be due at the beginning of class on the posted due date. In that class, we will discuss the results of the experiment, and how they relate to a topic in Behaviroal Economics.

Presentation assignment: You will read a paper relevant to Behavioral Economics and present it to the class.

Exams: There will be two exams testing information presented in class and assigned readings.

11 Academic support services

For a list of academic support services available to UT students, please see `http://www.utoledo.edu/offices/studentservices/learningresources.html`

12 Safety and health services for UT students

For a comprehensive list of safetly and health services available to UT students, please see `http://www.utoledo.edu/offices/provost/utc/docs/CampusHealthSafetyContacts.pdf`

13 Tentative schedule

"M" denotes content covered in the additional graduate hour of 6260. This schedule is tentative, and so is subject to change.

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1. Introduction
   - Holt CH01: *Introduction*
   - Holt CH02: *Price discovery and exclusion*

1. Game Theory
   - Holt CH08: *Some simple games: Competition, coordination and guessing*
   - Holt CH09: *Multi-stage games, noisy behavior*
   - Holt CH10: *Randomized strategies*
   - Holt CH13: *Methodology* (up to the end of section 13.1)
   - M– Holt CH13: *Nonparametric tests* (the remainder of CH13)

2. Individual decisions
   - Holt CH03: *Risk and decision making*
   - Digression: *Genralized matching pennies games*
   - Holt CH04: *Prospect theory and anomalies*
   - Holt CH05: *Bayes' rule*

3. Other topics, time and interest permitting
   - Holt CH06: *Belief elicitation and ambiguity aversion*
   - Holt CH07: *Individual and social learning*
   - Holt CH15: *Trust, reciprocity, and principal-agent game*
   - Holt CH17: *The volunteer's dilemma*
   - Holt CH23: *Adverse selection in lemons and insurance markets*
   - Holt CH26: *Private value auctions*
   - Holt CH27: *The winner's curse*
