GANPAT UNIVERSITY
FACULTY OF ENGINEERING & TECHNOLOGY

Programme	Bachelor of Technology			Branch/Spec.	Computer Science and Business Systems	
Semester	V			Version	1.0.0.0	
Effective from Academic Year		2023-24		Effective for the Batch admitted in		July 2021
Course Code	2CSBSPE5 104	Course Name		Behavioural Economics		

Teaching Scheme					Examination Scheme (Marks)			
(Per week)	Lecture (DT)		Practical (Lab.)		Total		CE	SEE	Total
	L	TU	P	TW				
Credit	3	0	1	-	4	Theory	40	60	100
Hours	3	0	2	-	5	Practical	30	20	50

Pre-requisites
Fundamentals of Economics

Course Outcomes
On successful completion of the course, the students will be able to:

CO1	explain the fundamental knowledge of economics and behavioural economics.
CO2	analyze the concept, preference and able to assess the risk
CO3	compile and assess the intertemporal choice in Economics.
CO4	develop individual decision making of economic actors

Theory Syllabus		
Unit	Content	Hrs.
1	**Introduction** The neoclassical/standard model and behavioral economics in contrast; historical background; behavioral economics and other social sciences; theory and evidence in the social sciences and in behavioral economics; applications – gains and losses, money illusion, charitable donation.	07
2	**Basics of choice theory** Revisiting the neoclassical model; utility in economics and psychology; models of rationality; connections with evolutionary biology and cognitive neuroscience; policy analysis – consumption and addiction, environmental protection, retail therapy; applications – pricing, valuation, public goods, choice anomalies	07
3	**Beliefs, heuristics and biases:** Revisiting rationality; causal aspects of irrationality; different kinds of biases and beliefs; self-evaluation and self-projection; inconsistent and biased beliefs; probability estimation; trading applications – trade in counterfeit goods, financial trading behavior, trade in memorabilia	07
4	**Choice under uncertainty:** Background and expected utility theory; prospect theory and other theories; reference points; loss aversion; marginal utility; decision and probability weighting; applications – ownership and trade, income and consumption, performance in sports.	07
5	**Intertemporal choice:** Geometric discounting; preferences over time; anomalies of inter-temporal decisions; hyperbolic discounting; instantaneous utility; alternative concepts – future projection, mental accounts, heterogeneous selves, procedural choice; policy analysis – mobile calls, credit cards, organization of government; applications – consumption and savings, clubs and membership, consumption planning	08
6	**Strategic choice:** Review of game theory and Nash equilibrium – strategies, information, equilibrium in pure and mixed strategies, iterated games, bargaining, signaling, learning; applications – competitive sports, bargaining and negotiation, monopoly and market entry Individual preferences; choice anomalies and inconsistencies; social preferences; altruism; fairness; reciprocity; trust; learning; communication; intention; demographic and cultural aspects; social norms; compliance and punishment; inequity aversion; policy analysis – norms and markets, labor markets, market clearing, public goods; applications – logic and knowledge, voluntary contribution, compensation design	09

Practical Content
NIL

Text Books	
1	An Introduction to Behavioral Economics by N. Wilkinson and M. Klaes

Reference Books	
1	An introduction to behavioural economics by Wilkinson and Klaes, Palgrave McMillan

ICT/MOOCs Reference	
1	https://nptel.ac.in/courses/110105144
2	https://in.coursera.org/learn/duke-behavioral-finance

Mapping of CO with PO and PSO:

	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9	PO10	PO11	PO12	PSO1	PSO2	PSO3
CO1	2	1	1	1	1	1	1	1	2	2	2	2	1	1	1
CO2	2	2	1	2	2	2	2	2	1	1	2	2	1	1	2
CO3	1	2	3	3	3	3	2	3	2	2	2	2	1	1	2
CO4	2	1	1	1	1	1	2	1	2	2	2	2	1	1	2