



## UNSW Course Outline

# ECON2126 Principles of Experimental and Behavioural Economics - 2024

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## General Course Information

**Course Code :** ECON2126

**Year :** 2024

**Term :** Term 2

**Teaching Period :** T2

**Is a multi-term course? :** No

**Faculty :** UNSW Business School

**Academic Unit :** School of Economics

**Delivery Mode :** In Person

**Delivery Format :** Standard

**Delivery Location :** Kensington

**Campus :** Sydney

**Study Level :** Undergraduate

**Units of Credit :** 6

### Useful Links

[Handbook Class Timetable](#)

## Course Details & Outcomes

### Course Description

In this course, we will discuss how to do economics experiments "right" and show why "the way

one does an experiment is unbelievably important", as a famous behavioural economist once noted. We thus will talk about the experimental method in economics (and how it differs from methods in other social sciences) and will do so by reading widely cited articles. We shall discuss the advantages and disadvantages of the experimental method relative to other empirical social science methods such as analysis of administrative data, and will document how it can be used to explore the robustness of the "homo economicus" assumption of a rational, selfish decision-maker used in many economic models. We will find that economic theory does a good job in many applications but that there are also important behavioural deviations from the model of "homo economicus". The topics covered in this course include: the experimental method, the empirical reality of the selfishness assumption, individual decision making and risky choices, collective decision making, cooperation and competition, provision of public goods, punishment of norm violations, coordination problems, and many others. See the course schedule for more information.

## Course Aims

The course aims to introduce students to the methods of experimental and behavioural economics and to important insights from these relatively recent, and very exciting, areas of economics. The prerequisite is ECON1101 or COMM1100. The course is part of the BCom Behavioural Economics major, which also features a deep dive into Behavioural Economics (ECON 3124).

## Course Learning Outcomes

Course Learning Outcomes	Program learning outcomes
CLO1 : Describe and critically analyse the advantages and disadvantages of the experimental method.	• PLO2 : Problem Solving
CLO2 : Discuss the most important features of experimental design and implementation.	• PL01 : Business Knowledge
CLO3 : Evaluate the appropriateness of the experimental method to study certain research questions.	• PL01 : Business Knowledge
CLO4 : Communicate ideas in a succinct and clear manner.	• PL01 : Business Knowledge
CLO5 : Analyse ethical issues, such as deception, arising from the use of the experimental method in the context of economics research.	• PL01 : Business Knowledge • PL03 : Business Communication • PL07 : Leadership Development
CLO6 : Consider and account for the ways culture and socialisation might effect experimental results in economics research.	• PL03 : Business Communication

Course Learning Outcomes	Assessment Item
CLO1 : Describe and critically analyse the advantages and disadvantages of the experimental method.	<ul style="list-style-type: none"> <li>• Class participation</li> <li>• Tutorial Participation (Worksheet problems included)</li> <li>• Mid-term Assessment</li> <li>• Final exam</li> </ul>
CLO2 : Discuss the most important features of experimental design and implementation.	<ul style="list-style-type: none"> <li>• Class participation</li> <li>• Tutorial Participation (Worksheet problems included)</li> <li>• Mid-term Assessment</li> <li>• Final exam</li> </ul>
CLO3 : Evaluate the appropriateness of the experimental method to study certain research questions.	<ul style="list-style-type: none"> <li>• Class participation</li> <li>• Tutorial Participation (Worksheet problems included)</li> <li>• Mid-term Assessment</li> <li>• Final exam</li> </ul>
CLO4 : Communicate ideas in a succinct and clear manner.	<ul style="list-style-type: none"> <li>• Class participation</li> <li>• Tutorial Participation (Worksheet problems included)</li> <li>• Mid-term Assessment</li> <li>• Final exam</li> </ul>
CLO5 : Analyse ethical issues, such as deception, arising from the use of the experimental method in the context of economics research.	<ul style="list-style-type: none"> <li>• Class participation</li> <li>• Tutorial Participation (Worksheet problems included)</li> <li>• Mid-term Assessment</li> </ul>
CLO6 : Consider and account for the ways culture and socialisation might effect experimental results in economics research.	<ul style="list-style-type: none"> <li>• Mid-term Assessment</li> </ul>

## Learning and Teaching Technologies

Moodle - Learning Management System | Zoom

## Learning and Teaching in this course

Lectures, tutorials and assessments have been designed to appropriately challenge students and support the achievement of the desired learning outcomes. A climate of inquiry and dialogue is encouraged between students and teachers and among students (in and out of class). The lecturer and tutor aim to provide meaningful and timely feedback to students to improve learning outcomes.

## LEARNING AND TEACHING ACTIVITIES

**Use of your Webcam and Digital Devices:** If you enrol in an online class, or the online stream of a hybrid class, teaching and associated activities will be conducted using Teams, Zoom, or similar a technology. Using a webcam is optional, but highly encouraged, as this will facilitate interaction with your peers and instructors. If you are worried about your personal space being observed during a class, we encourage you to blur your background or make use of a virtual background.

Please contact the Lecturer-in-Charge if you have any questions or concerns.

Some courses may involve undertaking online exams for which your own computer or digital devices will be required. Monitoring of online examinations will be conducted directly by University staff and is bound by the University's privacy and security requirements. Any data collected will be handled in accordance with [UNSW policies and standards for data governance](#). For more information on how the University manages personal information please refer to the [UNSW Student Privacy Statement](#) and the [UNSW Privacy Policy](#).

## **Learning Activities and Teaching Strategies**

The examinable content of the course is defined by the references given in the lecture schedule, the content of lectures, and the content of the tutorial program.

### **Lectures**

The purpose of lectures is to provide a logical structure for the topics that make up the course; to clarify the essential insights pertaining to each topic; and to make students familiar with the most important results that experimental and behavioural economists have produced. Live lectures will be delivered face-to-face, and recorded lectures are available upon request.

### **Tutorials**

Tutorials are an integral part of the course. The tutorials are designed to enhance your understanding of what is being taught in the lectures. Tutorials will be offered f2f and online. The latter will be offered via ZOOM.

### **Out-of-Class Study**

While students may have preferred individual learning strategies, most learning will have to be achieved outside of class time. Lectures can only provide a structure to assist your study, and tutorial time is limited.

An “ideal” strategy (on which the provision of the course materials is based) might include:

- Reading of the assigned readings before the lecture.
- Attendance at lectures. Here the context of the topic in the course and the important elements of the topic are identified.
- Attending tutorials and attempting the tutorial questions (“worksheets”).

## Additional Course Information

# Assessments

### Assessment Structure

Assessment Item	Weight	Relevant Dates	Program learning outcomes
Class participation Assessment Format: Individual	10%	Start Date: Not Applicable Due Date: Weekly	<ul style="list-style-type: none"><li>• PLO1 : Business Knowledge</li><li>• PLO2 : Problem Solving</li><li>• PLO3 : Business Communication</li><li>• PLO4 : Teamwork</li><li>• PLO5 : Responsible Business Practice</li><li>• PLO6 : Global and Cultural Competence</li><li>• PLO7 : Leadership Development</li></ul>
Tutorial Participation (Worksheet problems included) Assessment Format: Individual	10%	Start Date: Not Applicable Due Date: Weekly	<ul style="list-style-type: none"><li>• PLO1 : Business Knowledge</li><li>• PLO2 : Problem Solving</li><li>• PLO3 : Business Communication</li><li>• PLO4 : Teamwork</li><li>• PLO5 : Responsible Business Practice</li><li>• PLO6 : Global and Cultural Competence</li><li>• PLO7 : Leadership Development</li></ul>
Mid-term Assessment Assessment Format: Individual	30%	Start Date: Week 5 Due Date: Week 5: 24 June - 30 June	<ul style="list-style-type: none"><li>• PLO1 : Business Knowledge</li><li>• PLO2 : Problem Solving</li><li>• PLO3 : Business Communication</li><li>• PLO5 : Responsible Business Practice</li><li>• PLO6 : Global and Cultural Competence</li><li>• PLO7 : Leadership Development</li></ul>
Final exam Assessment Format: Individual	50%	Start Date: Not Applicable Due Date: Not Applicable	<ul style="list-style-type: none"><li>• PLO1 : Business Knowledge</li><li>• PLO2 : Problem Solving</li></ul>

# **Assessment Details**

## **Class participation**

### **Assessment Overview**

Reading of the assigned readings before the lecture is required. While the LIC does not require you to understand every detail of the assigned readings -- some of them are tough going -- you ought to have a reasonable understanding of them. Pop quizzes may be used to assess whether you have done your reading, and students may be called on directly in class.

The expectation is that you make every effort to attend the class at the scheduled time.

Assesses: PL01, PL02, PL03, PL04, PL05, PL06, PL07

BCom students: myBCom course points for PL03

### **Course Learning Outcomes**

- CLO1 : Describe and critically analyse the advantages and disadvantages of the experimental method.
- CLO2 : Discuss the most important features of experimental design and implementation.
- CLO3 : Evaluate the appropriateness of the experimental method to study certain research questions.
- CLO4 : Communicate ideas in a succinct and clear manner.
- CLO5 : Analyse ethical issues, such as deception, arising from the use of the experimental method in the context of economics research.

### **Detailed Assessment Description**

**Class participation marks are obtained in the lectures.**

Reading of the assigned readings before the lecture is required. While the LIC does not require you to understand every detail of the assigned readings -- some of them are tough going -- you ought to have a reasonable understanding of them. Pop quizzes may be used to assess whether you have done your reading, and students may be called on directly in class. The expectation is that you make every effort to attend the class at the scheduled time. Arrangements will be made for those attending from off-shore.

**Criteria for participation in lectures:**

0 Inadequate participation, due to at most 50% attendance.

1 - 4 Has attended at least 5 week's worth of lectures, but has rarely contributed to class

discussion.

5 - 10 Has attended 6-9 week's worth of lectures and contributed to discussions in relevant and constructive ways.

(BCom students: myBCom course points for PLO3)

#### **Submission notes**

N/A

#### **Assignment submission Turnitin type**

Not Applicable

### **Tutorial Participation (Worksheet problems included)**

#### **Assessment Overview**

Typically a worksheet on the lecture, and the lecture notes themselves, will be made available within 24 hours of the lecture. You are expected to work on the problems and questions on the worksheet. The tutor is entitled to call on you to make sure you do. In the tutorials, you are also expected to work and discuss on the worksheets in groups; your performance as a team will be evaluated; it tends to make for better learning experiences and also tends to be more fun.

Assesses: PLO1, PLO2, PLO3, PLO4, PLO5, PLO6, PLO7

BCom students: myBCom course points for PLO4

#### **Course Learning Outcomes**

- CLO1 : Describe and critically analyse the advantages and disadvantages of the experimental method.
- CLO2 : Discuss the most important features of experimental design and implementation.
- CLO3 : Evaluate the appropriateness of the experimental method to study certain research questions.
- CLO4 : Communicate ideas in a succinct and clear manner.
- CLO5 : Analyse ethical issues, such as deception, arising from the use of the experimental method in the context of economics research.

#### **Detailed Assessment Description**

Typically a worksheet on the lecture content discussed, and the lecture notes themselves, will be made available within 24 hours of the lecture. You are expected to give problems and questions on the worksheet a serious try. The tutor is entitled to call on you to make sure you do. You are encouraged to work on the worksheets in groups; it tends to make for better learning

experiences and also tends to be more fun. A record of attendance at tutorials will be kept. Note that attendance is expected and is a necessary condition towards a good participation grade.

#### **Criteria for participation in tutorials:**

0 Inadequate participation, due to at most 50% attendance (4 or fewer of 8 tutorials).

1 - 4 Has attended at least 5 tutorials, but has rarely contributed to class discussion.

5 - 10 Has attended 6-8 tutorials and contributed to discussions in relevant and constructive ways.

(BCom students: myBCom course points for PL04)

#### **Submission notes**

N/A

#### **Assessment information**

BCom students: myBCom course points for PL04

#### **Assignment submission Turnitin type**

Not Applicable

### **Mid-term Assessment**

#### **Assessment Overview**

An in-class assessment that includes quiz questions and written answers based on tutorial materials.

Assesses: PL01, PL02, PL03, PL05, PL06, PL07

BCom students: myBCom course points for PL07

#### **Course Learning Outcomes**

- CLO1 : Describe and critically analyse the advantages and disadvantages of the experimental method.
- CLO2 : Discuss the most important features of experimental design and implementation.
- CLO3 : Evaluate the appropriateness of the experimental method to study certain research questions.
- CLO4 : Communicate ideas in a succinct and clear manner.
- CLO5 : Analyse ethical issues, such as deception, arising from the use of the experimental method in the context of economics research.

- CLO6 : Consider and account for the ways culture and socialisation might effect experimental results in economics research.

#### **Detailed Assessment Description**

An in-class assessment that includes quiz questions and written answers based on tutorial materials.

The mid-term assessment will be held in Week 5 and is 80 minutes long. The assessment will cover everything covered in class up to that point. Experience shows that having worked through the worksheets tends to be highly predictive of performance on this assessment, which will be a mix of quiz questions and written questions. The mid-term assessment will take place during regular class time and is in-person. There will be NO supplementary assessments offered for the mid-term assessment. Students who fail to take the mid-term assessment may apply for Special Consideration. If you are granted special consideration, your final exam will be re-weighted (i.e., 80 percent of your grade will depend on it). If special consideration is not granted, you will be assigned a grade of zero for the mid-term assessment. For information on Special Consideration please refer to the UNSW Special Consideration page.

(BCom students: myBCom course points for PLO7)

#### **Assessment Length**

80 minutes

#### **Submission notes**

In-person assessment. Material weeks 1 - 4 to be assessed. The assessment will take place during regular class time in the Wednesday slot. There will be no lecture on Tuesday.

#### **Assessment information**

BCom students: myBCom course points for PLO7

#### **Assignment submission Turnitin type**

Not Applicable

#### **Final exam**

#### **Assessment Overview**

The final assessment will take place during the UNSW exam period and cover everything covered in class, with some emphasis on post-midterm lectures.

Assesses: PL01, PL02

## Course Learning Outcomes

- CLO1 : Describe and critically analyse the advantages and disadvantages of the experimental method.
- CLO2 : Discuss the most important features of experimental design and implementation.
- CLO3 : Evaluate the appropriateness of the experimental method to study certain research questions.
- CLO4 : Communicate ideas in a succinct and clear manner.

## Detailed Assessment Description

The final assessment will cover everything covered in class, with some emphasis on post-midterm course content. It is expected to be 2 hours long. The final assessment will take place during the UNSW exam period. Experience shows that having worked through the worksheets consistently each week tends to be highly predictive of performance on the final exam. All material covered in the lectures and tutorial program is examinable. The scheduling of the exam is done by the university and the LIC has no influence over it.

(\*)This course will have an invigilated exam held on UNSW's Kensington campus. It is a mandatory requirement that you attend the exam on-campus. Students are required to display their UNSW student I.D. at all times during the exam.

## Submission notes

To be advised

## Assignment submission Turnitin type

Not Applicable

# **General Assessment Information**

## Grading Basis

Standard

## Requirements to pass course

In order to pass this course students must:

- Achieve a composite mark of at least 50 out of 100
- Engage actively in course learning activities and attempt all assessment requirements
- Meet any additional requirements specified in the assessment details
- Meet the specified attendance requirements of the course (see Schedule section)

# Course Schedule

Teaching Week/Module	Activity Type	Content
Week 1 : 27 May - 2 June	Lecture	Why experiment? History and purposes of Experimental and Behavioral Economics (and how they differ); testing theories of altruism via Dictator and Prisoners' Dilemma game experiments; internal versus external validity.
Week 2 : 3 June - 9 June	Lecture	Testing theories of altruism via Ultimatum and Trust experiments.
	Tutorial	Worksheet distributed in preceding week.
Week 3 : 10 June - 16 June	Lecture	Dishonesty and ethical failures; enforcement in the field/norm enforcement in the city; Testing theories of rationality; the two concepts of rationality, the debate about social preferences.
	Tutorial	Worksheet distributed in preceding week.
Week 4 : 17 June - 23 June	Lecture	Bubbles and crashes in laboratory asset markets; do markets converge to equilibrium; "induced value theory"; number effects in laboratory oligopoly markets. Formative feedback worksheet/checklist to be provided.
	Tutorial	Worksheet distributed in preceding week.
Week 5 : 24 June - 30 June	Lecture	Tuesday: No lecture Wednesday: Mid-term assessment will take place during the regular class time and students are required to complete this assessment in-person.
	Tutorial	Worksheet distributed in preceding week.
Week 6 : 1 July - 7 July	Lecture	FLEXIBILITY WEEK: NO LECTURES OR TUTORIALS.
Week 7 : 8 July - 14 July	Lecture	Everything you always wanted to know about why economists favor incentivization and prefer not to use deception; also informed consent debate; the Duhem - Quine problem; experimenter demand effects.
	Tutorial	Worksheet distributed in preceding week.
Week 8 : 15 July - 21 July	Lecture	How rational are individuals; the heuristics and biases controversy; social - and anti-social preferences.
	Tutorial	Worksheet distributed in preceding week.
Week 9 : 22 July - 28 July	Lecture	Gender differences and how to study them.
	Tutorial	Worksheet distributed in preceding week.
Week 10 : 29 July - 4 August	Lecture	Coordination game experiments; how to engineer trust. Wrap-up and review.
	Tutorial	Worksheet distributed in preceding week.

## Attendance Requirements

Students are strongly encouraged to attend all classes and review lecture recordings.

## Course Resources

### Prescribed Resources

The website for this course is on UNSW [Moodle](#).

There are no textbooks for this course. We will read 2 - 4 articles for each lecture and discuss them. All of these articles will be made available on the Course website.

## Course Evaluation and Development

Feedback is regularly sought from students and continual improvements are made based on this feedback. At the end of this course, you will be asked to complete the myExperience survey,

which provides a key source of student evaluative feedback. Your input into this quality enhancement process is extremely valuable in assisting us to meet the needs of our students and provide an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhancing educational quality.

The School of Economics strives to be responsive to student feedback. If you would like more information on how the design of this course and changes made to it over time have taken students' needs and preferences into account, please contact the Director of Education at the School of Economics.

## Staff Details

Position	Name	Email	Location	Phone	Availability	Equitable Learning Services Contact	Primary Contact
Lecturer	Mohamad M ourad		UNSW Business School Level 4	N/A	Wednesdays 1pm - 2pm. Also by appointment.	Yes	Yes

## Other Useful Information

### Academic Information

#### COURSE POLICIES AND SUPPORT

The Business School expects that you are familiar with the contents of this course outline and the UNSW and Business School learning expectations, rules, policies and support services as listed below:

- Program Learning Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Protocol for Viewing Final Exam Scripts
- Student Learning Support Services

Further information is provided on the [key policies and support page](#).

Students may not circulate or post online any course materials such as handouts, exams, syllabi or similar resources from their courses without the written permission of their instructor.

#### STUDENT LEARNING OUTCOMES

The Course Learning Outcomes (CLOs) – under the Outcomes tab – are what you should be able to demonstrate by the end of this course, if you participate fully in learning activities and successfully complete the assessment items.

CLOs also contribute to your achievement of the Program Learning Outcomes (PLOs), which are developed across the duration of a program. PLOs are, in turn, directly linked to [UNSW graduate capabilities](#). More information on Coursework PLOs is available on the [key policies and support](#) page. For PG Research PLOs, including MPDBS, please refer to the [UNSW HDR Learning Outcomes](#).

## Academic Honesty and Plagiarism

As a student at UNSW you are expected to display [academic integrity](#) in your work and interactions. Where a student breaches the [UNSW Student Code](#) with respect to academic integrity, the University may take disciplinary action under the Student Misconduct Procedure. To assure academic integrity, you may be required to demonstrate reasoning, research and the process of constructing work submitted for assessment.

To assist you in understanding what academic integrity means, and how to ensure that you do comply with the UNSW Student Code, it is strongly recommended that you complete the [Working with Academic Integrity](#) module before submitting your first assessment task. It is a free, online self-paced Moodle module that should take about one hour to complete.

## Submission of Assessment Tasks

### SPECIAL CONSIDERATION

You can apply for special consideration when illness or other circumstances beyond your control interfere with your performance in a specific assessment task or tasks, including online exams. Students studying remotely who have exams scheduled between 10pm and 7am local time, are also able to apply for special consideration to sit a supplementary exam at a time outside of these hours.

Special consideration is primarily intended to provide you with an extra opportunity to demonstrate the level of performance of which you are capable. To apply, and for further information, see Special Consideration on the UNSW [Current Students](#) page.

Special consideration applications will be assessed centrally by the Case Review Team, who will

update the online application with the outcome and add any relevant comments. The change to the status of the application immediately sends an email to the student and to the assessor with the outcome of the application.

Please note the following:

1. Applications can only be made through Online Services in myUNSW (see the UNSW [Current Students](#) page). Applications will not be accepted by teaching staff. The lecturer-in-charge/course coordinator will be automatically notified when your application is processed.
2. Applying for special consideration does not automatically mean that you will be granted a supplementary exam or other concession.
3. If you experience illness or misadventure in the lead up to an exam or assessment, you must submit an application for special consideration, either prior to the examination taking place, or prior to the assessment submission deadline, except where illness or misadventure prevent you from doing so.
4. If your circumstances stop you from applying before your exam or assessment due date, you must apply within 3 working days of the assessment or the period covered by your supporting documentation.
5. Under the UNSW Fit To Sit/Submit rule, if you sit the exam/submit an assignment, you are declaring yourself well enough to do so and are cannot subsequently apply for special consideration.
6. If you become unwell on the day of – or during – an exam, you must stop working on your exam, advise your course coordinator or tutor and provide a medical certificate dated within 24 hours of the exam, with your special consideration application. For online exams, you must contact your course coordinator or tutor immediately via email, Moodle or chat and advise them you are unwell and submit screenshots of your conversation along with your medical certificate and application.
7. Special consideration requests do not allow the awarding of additional marks to students.

Further information on Business School policy and procedure can be found under “Special Consideration” on the [key policies and support](#) page.

## LATE SUBMISSION PENALTIES

For assessments other than examinations, late submission will incur a penalty of 5% per day or part thereof (including weekends) from the due date and time. An assessment will not be accepted after 5 days (120 hours) of the original deadline unless special consideration has been approved. An assignment is considered late if the requested format, such as hard copy or electronic copy, has not been submitted on time or where the ‘wrong’ assignment has been submitted.

For assessments which account for 10% or less of the overall course grade, and where answers are immediately discussed or debriefed, the LIC may stipulate a different penalty. Details of such late penalties will be available on the course Moodle page.

## FEEDBACK ON YOUR ASSESSMENT TASK PERFORMANCE

Feedback on student performance from formative and summative assessment tasks will be provided to students in a timely manner. Assessment tasks completed within the teaching period of a course, other than a final assessment, will be assessed and students provided with feedback, with or without a provisional result, within 10 working days of submission, under normal circumstances. Feedback on continuous assessment tasks (e.g. laboratory and studio-based, workplace-based, weekly quizzes) will be provided prior to the midpoint of the course.

## Faculty-specific Information

### PROTOCOL FOR VIEWING FINAL EXAM SCRIPTS

UNSW students have the right to view their final exam scripts, subject to a small number of very specific exemptions. The UNSW Business School has set a [protocol](#) under which students may view their final exam script. Individual schools within the Faculty may also set up additional local processes for viewing final exam scripts, so it is important that you check with your School.

If you are completing courses from the following schools, please note the additional school-specific information:

- Students in the **School of Accounting, Auditing & Taxation** who wish to view their final examination script should also refer to [this page](#).
- Students in the **School of Banking & Finance** should also refer to [this page](#).
- Students in the **School of Information Systems & Technology Management** should also refer to [this page](#).

### COURSE EVALUATION AND DEVELOPMENT

Feedback is regularly sought from students and continual improvements are made based on this feedback. At the end of this course, you will be asked to complete the [myExperience survey](#), which provides a key source of student evaluative feedback. Your input into this quality enhancement process is extremely valuable in assisting us to meet the needs of our students and provide an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhancing educational quality.

## **QUALITY ASSURANCE**

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential.

## **TEACHING TIMES AND LOCATIONS**

Please note that teaching times and locations are subject to change. Students are strongly advised to refer to the [Class Timetable website](#) for the most up-to-date teaching times and locations.