

Summer University Warsaw 2020 – SGH

Local affiliation: Paweł Pońsko, PhD, Dept. of Mathematics and Mathematical Economics, Collegium of Economic Analysis - Warsaw School of Economics (SGH), (pawel.ponsko@sgh.waw.pl)

Course title: Behavioral Economics

Duration: 28 contact hours

Objectives:

1. Acquaint students with the central elements of modern economics.
2. Enrich the students' knowledge of economic theory drawing from psychology and experimental evidence.
3. Teach how to build more realistic, behavioral models of decision making and how to apply these models into economic environment.
4. Convey practical knowledge on how to avoid decision mistakes resulting from behavioral biases.
5. Improve students' modeling skills.
6. Teach how to design economic research.

Outline:

1. Theory of rational choice under certainty
2. Decision making under certainty
3. Theory of choice under risk and uncertainty
4. Probability judgment
5. Decision making under risk and uncertainty
6. Self-control and Intertemporal choice
7. Behavioral game theory and social preferences
8. Subjective well-being

Teaching methods:

1. Lectures
2. Exercises
3. Experiments
4. Team work
5. Videos

Assessment:

1. Essay
2. Exam

Learning outcomes:

1. Better understanding of decision making process
2. Better understanding of economic theory

Journals & Books References:

1. Erik Angner, "A Course in Behavioral Economics", (2012), Palgrave Macmillan.
2. Kahneman D., Tversky A., (1979), "Prospect Theory: An Analysis of Decision under Risk", *Econometrica*, 47, p. 263-291.
3. Kahneman D., (2003), "Maps of Bounded Rationality: Psychology for Behavioral Economics," *American Economic Review*, 93 (5): 1449-1475.
4. Colin Camerer, George Loewenstein and Matthew Rabin eds., "Advances in Behavioral Economics", Princeton University Press, 2004.
5. Daniel Kahneman and Amos Tversky, eds. "Choices, Values and Frames", Cambridge University Press and the Russell Sage Foundation, 2000.