

Behavioral Economics (H002024)

Course size (nominal values; actual values may depend on programme)
 Credits 3.0 Study time 90 h Contact hrs 25.0 h

Course offerings and teaching methods in academic year 2018-2019

Offering	Language	Teaching Method	Hours
A (semester 2)	Dutch	lecture	10.0 h
		research project	10.0 h
		practicum	5.0 h
B (semester 2)		research project	10.0 h
		practicum	5.0 h
		lecture	10.0 h

Lecturers in academic year 2018-2019

Anseel, Frederik	PP09	lecturer-in-charge
Duyck, Wouter	PP02	co-lecturer

Offered in the following programmes in 2018-2019

Programme	crdts	offering
Bachelor of Science in Psychology (main subject Personnel Management and Industrial Psychology)	3	A
Bachelor of Science in Psychology (main subject Theoretical and Experimental Psychology)	4	B
Linking Course Master of Science in Psychology (main subject Personnel Management and Industrial Psychology)	3	A
Linking Course Master of Science in Psychology (main subject Teacher Education and Training)	4	A, B
Linking Course Master of Science in Psychology (main subject Theoretical and Experimental Psychology)	4	B
Preparatory Course Master of Science in Psychology (main subject Personnel Management and Industrial Psychology)	3	A
Preparatory Course Master of Science in Psychology (main subject Teacher Education and Training)	4	A, B
Preparatory Course Master of Science in Psychology (main subject Theoretical and Experimental Psychology)	4	B

Teaching languages

Dutch

Keywords

Judgment and decision-making, Rationality, Heuristics, Biases, Intuition, Cognitive errors, Prospect Theory

Position of the course

The course Behavioral Economics draws upon insights from psychology, management and economics to provide a better understanding of economic behavior and to apply this knowledge in management practice in companies. Behavioral economics studies the cognitive biases affecting decision making in organisations. Given the importance of this domain as underpinnings of evidence-based management in practice and its origins in cognitive psychology, this constitutes an important building block of the specialisation in Organisational Psychology and Personnel Management.

Contents

This course introduces students to behavioral economics or the study of cognitive biases affecting economic decision-making. We will discuss research demonstrating departures from perfect rationality, and to formal models of behaviour that were

developed in response to these findings. We will focus on basic economic and psychological experimental research, but will also discuss selected applications, as well as the implications of behavioural economics for managerial decision-making in organizations and for public policy.

- Introduction to behavioral economics
- System 1 and System 2 thinking
- Judgment under uncertainty: Heuristics and Biases.
- Overconfidence and applications in organizations
- Choices, values and frames: Prospect theory
- Utility, well-being and public policy

Initial competences

Final competences

- 1 To have knowledge of, and insight in, the most important theories and findings in behavioral economics
- 2 to be able to investigate an important principle or finding from behavioral economics using an adequate method and design
- 3 to cooperate with fellow students to carry out an experiment in behavioral economics
- 4 to be able to orally present an experiment in behavioral economics
- 5 to be able to develop an intervention (nudge) to apply knowledge from behavioral economics to a problem of societal relevance

Conditions for credit contract

Access to this course unit via a credit contract is determined after successful competences assessment

Conditions for exam contract

This course unit cannot be taken via an exam contract

Teaching methods

Lecture, practicum, research project

Extra information on the teaching methods

After the introductory lectures, students will replicate classic studies in behavioral economics in groups. They will present the design, methodology and results during the lectures to their peers. These presentations will be integrated in a plenary discussion led by the lecturer with the theoretical insights earlier advanced during the lectures. Students who follow the course for 4 study points write a blog post about the performed experiment.

Learning materials and price

Kahneman, D. (2011). Thinking fast and slow. Farrar, Straus and Giroux, New York.
Course material (slides and research articles) provided by the Department
Estimated cost: 40 EUR

References

- Bazerman, M. & Moore, D.A. (2008). Judgment in managerial decision-making. Wiley.
- Wilkinson, N., & Klaes, M. (2012). Introduction to behavioral economics. Palgrave MacMillan.
- Agner, E. (2012). A course in behavioral economics. Palgrave MacMillan.

Course content-related study coaching

Interactive online support (Minerva)
By email appointment Cedric.Velghe@UGent.be

Evaluation methods

end-of-term evaluation and continuous assessment

Examination methods in case of periodic evaluation during the first examination period

Written examination with multiple choice questions

Examination methods in case of periodic evaluation during the second examination period

Written examination with multiple choice questions

Examination methods in case of permanent evaluation

Assignment, report

Possibilities of retake in case of permanent evaluation

examination during the second examination period is not possible

Calculation of the examination mark

A combination of periodic evaluation (80 %) and permanent evaluation (20 %). The permanent evaluation implies obligatory presence and participation in all lectures and discussions.

In order to pass the course students have to obtain a final score of at least 10/20 and have to obtain at least the equivalent of 8/20 on all parts of the evaluation. In that case, final scores of 10/20 and above will be reduced to the highest fail quotation (9/20).

Students will not be deliberated if they obtain an equivalent of 8/20 on at least one part of the evaluation. In that case final scores of 8/20 and above will be reduced to the highest non-deliberative quotation (7/20).