

Module title		Abbreviation
Behavioral Economics		12-M-BEC-222-m01
Module coordinator		Module offered by
holder of the Junior Professorship of Applied Microeconomics, esp. Human-Machine Interaction		Faculty of Management and Economics
ECTS	Method of grading	Only after succ. compl. of module(s)
5	numerical grade	--
Duration	Module level	Other prerequisites
1 semester	graduate	--
Contents		
<p>Behavioral economics refers to the field of research which, inspired by numerous documented deviations from the rational behavior assumed in neoclassical analysis, tries to improve the psychological realism of the idea of man in economics by incorporating insights from psychology into traditional economic analysis. In this course, students will become familiar with several of the most influential behavioral-economic theories of individual and strategic decision-making, which allow to explain a plethora of empirically documented deviations from the neoclassical model. These include departures from the assumptions of selfishness, time consistency, as well as rationality and rational expectations. The discussed behavioral-economic theories usually contain the neoclassical standard model as a special case and, therefore, are to be considered as extensions of rather than alternatives to the neoclassical model. While this lecture focuses on theories of individual decision-making, we will explore the implications of these theories also in the context of market settings and economic games. All necessary ideas and concepts will be introduced and discussed throughout the course. Nevertheless, as behavioral economics represents an extension of the neoclassical model, a solid understanding of the latter will be helpful. Consequently, students who completed advanced classes in microeconomics or game theory will most likely benefit most from this course.</p> <p>While the exposition is primarily based on research articles, some topics of the lecture can be reviewed in the following textbooks:</p> <ul style="list-style-type: none"> • Dahmi (2016): “The Foundations of Behavioral Economic Analysis” • Angner (2012): “A Course in Behavioral Economics” • Wilkinson and Klaes (2012): “An Introduction to Behavioral Economics” • Wakker (2010): “Prospect Theory for Risk and Ambiguity” 		
Intended learning outcomes		
<p>After completing the course students will be able to</p> <ul style="list-style-type: none"> • explain essential findings of behavioral economic theory, • apply the involved methods to given stylized examples on their own, • recognize in which real-life situations and how the results can be applied. 		
Courses (type, number of weekly contact hours, language — if other than German)		
V (2) + Ü (2) Module taught in: English		
Method of assessment (type, scope, language — if other than German, examination offered — if not every semester, information on whether module is creditable for bonus)		
<p>a) written examination (approx. 60 minutes) or b) term paper (15 pages) Language of assessment: English Assessment offered: In the semester in which the course is offered creditable for bonus</p>		
Allocation of places		
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Additional information		
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Workload

150 h

Teaching cycle

Teaching cycle: winter semester

Referred to in LPO I (examination regulations for teaching-degree programmes)

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Module appears in

Master's degree (1 major) International Economic Policy (2022)

Master's degree (1 major) Management (2022)

Master's degree (1 major) Econometrics (2022)

Master's degree (1 major) Management International (2024)

Master's degree (1 major) Management (2024)

Master's degree (1 major) International Economic Policy (2024)

Master's degree (1 major) Econometrics (2024)