

Course Descriptions Master 2013-2014

Course Title Behavioural Economics (EFR)
 Course Code EBC4200
 ECTS Credits 6,5
 Assessment Whole/Half Grades

Period	Start	End	Mon	Tue	Wed	Thu	Fri
1	2-9-2013	25-10-2013	X			X	

Level Advanced

Coordinator Matt Embrey For more information: m.embrey@maastrichtuniversity.nl

Language of instruction English

Goals Students will learn in detail recently developed theories from Economics that abandon the strict rationality and narrow self-interest assumptions of the traditional approach to modelling economic agents (homo economicus). Students will gain exposure to the various relaxations of this traditional approach, and learn when and how these relaxations lead to different predictions across many individual and interactive (social) decision-making situations. Core competences include: critical evaluation of traditional economic theory in light of empirical evidence from field and experimental sources; assessment of alternative theories including their weaknesses and the possibilities for their development.

Description The course will first cover observed behavioural regularities in economic and social decision situations that are inconsistent with the predictions of the homo economicus model. Building on these observations, the course will proceed to the most important and recent developments in behavioural economics. Among others it will discuss non-expected utility models of individual decision-making under risk and uncertainty, such as cumulative prospect theory, ambiguity aversion and status-quo bias, models of intertemporal choice, such as (quasi-) hyperbolic discounting and temptation and self-control, models of boundedly rational strategic behaviour, such as cognitive hierarchy/level-K and noisy equilibrium models, and models of fairness and reciprocity.

Literature There is no one textbook that will cover the course. The literature will consist of a wide variety of readings including chapters from textbooks aimed at advanced graduates and contemporary research articles.

Prerequisites Research masters students only: Microeconomics at a research Master's level (e.g.: EBC4061 Microeconomics I and EBC4204 Microeconomics 2); exposure to experimental economics methodology (e.g. EBS4026 Experimental Economics Methods) is an advantage but not a formal requirement.

Teaching methods PBL / Lecture

Assessment methods Final Paper / Participation / Written Exam

Evaluation in previous academic year For the complete evaluation of this course please click <http://iwio-sbe.maastrichtuniversity.nl/rapporten.asp?referrer=codeUM>

This course belongs to the following programme / specialisation

Master Business Research	Free Electives
Master Business Research Track OR	Free Electives
Master Economic and Financial Research Track Econometrics	Economic Theory, Behaviour & Computing
Master Economic and Financial Research	Economic Theory, Behaviour & Computing