Course Descriptions None 2013-2014

Course Title	Psychology and Economics
Course Code	EBC4021
ECTS Credits	6,5
Assessment	None

Period

Period	Start	End	Mon	Tue	Wed	Thu	Fri
4	3-2-2014	4-4-2014	X			X	

Level	Advanced
Coordinator	Maarten Vendrik For more information:m.vendrik@maastrichtuniversity.nl
Language of instruction	English
Goals	Acquiring a structured insight into the important roles of psychological factors and processes in the judgments, decision-making and well-being of economic agents Learning about the difference in approach between psychology and economics Learning about the relations between psychology and economics
Description	Increasingly, economists are discovering psychology as a means to enrich their models of economic behaviour and well-being and to give them a better foundation. The importance of this is illustrated by the fact that Nobelprize winner in economics in 2002 was the distinguished psychologist Daniel Kahneman. He characterizes his research as a quest for the 'logic of the irrational'. Adam Smith already recognized that economic, just like other, behaviour is motivated by an intriguing blend of 'rational' considerations and 'irrational' sentiments. The great challenge is to investigate the implications of the latter motives for economics. This course aims to give an intensive introduction into this field. In the first part of the course, the psychology and behavioural economics of judgment and decision-making are dealt with. Basic principles of rationality are compared with actual behaviour in making decisions. Also, a link is made to the emerging field of neuroeconomics. Next, in the second part of the course, students are introduced into the psychological and economic research on subjective well-being (happiness) and its psychological, demographic and socio-economic determinants (especially income). The importance of this research for economics and its policy implications will be highlighted. Differences and similarities in the approaches of psychology and economics will be clarified.
Literature	Reid Hastie, Robyn M. Dawes (2010), Rational Choice In An Uncertain World:The Psychology Of Judgement And Decision Making, 2nd ed., London: Sage publications Articles and chapters from books.
Prerequisites	Good understanding of microeconomics, probability theory and mathematics (level comparable to QM2) and basic understanding of macroeconomics. An advanced level of English
Teaching methods	PBL / Presentation / Lecture
Assessment methods	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 Fiscale Economie	Economics Electives
Master Human Decision Science	Electives
Master International Business Track Accountancy	Electives
Master International Business Track Controlling	Electives
Master International Business Track Entrepreneurship	Electives
Master International Business Track Finance	Electives
Master International Business Track Organisation	Electives
Master International Business Track Strategy and Innovation	Electives
Master Information and Network Economics	Economics Electives
SBE Exchange Master	Master Courses
SBE Non Degree Courses	Master Courses