Course Descriptions None 2016-2017

Course Title	Economic Psychology
Course Code	EBC2103
ECTS Credits	6,5
Assessment	Whole/Half Grades

Period

Period	Start	End	Mon	Tue	Wed	Thu	Fri
2	31-10-2016	22-12-2016	X/E			X/E	

Level	Intermediate
Coordinator	Peter Werner For more information:p.werner@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 the Nobel prize 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 nine sessions 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. Next, students are introduced into the psychological and economic research on subjective well-being (happiness) and its socio-economic determinants (especially income). The importance of this research for economics and its policy implications will be highlighted. Students should realize that the course is not easy and that its material also includes some mathematical derivations.
Literature	Hastie, Reid and Robyn M. Dawes. Rational choice in an uncertain world: The psychology of judgment and decision making. Sage, 2010. Articles and chapters from books.
Prerequisites	Basic understanding of microeconomics (level comparable to: course Economics and Business), probability theory and mathematics (level comparable to course QM2) An advanced level of English
Teaching methods	Presentation / Lecture / Groupwork
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

Bachelor Economics and Business Economics Specialisation Emerging Markets	Economics Electives
Bachelor Economics and Business Economics Specialisation Economics and Management of Information	Free Electives
Bachelor Economics and Business Economics Specialisation International Business Economics	Economics Electives
Bachelor International Business	Economics Electives
SBE Exchange Bachelor	Bachelor Exchange Courses
SBE Exchange Master	Bachelor Exchange Courses
SBE Non Degree Courses	Bachelor Courses