

Behavioral Economics, Thurs 7:05 – 9:45 PM
ECONOMICS 341, 3 CREDITS
Bernard J. Brommel Hall, Room 222

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"Homo economicus is dead, but whose Homo behavioralis will replace him?"

– Ken Binmore, University College London

INTRODUCTION

This course will discuss recent developments in behavioral economics. The focus will be on economic behavior, heuristics, and experimental economics.

Students are expected to attend all classes. There will be a grade for attendance and class participation which will make up 12% of the final grade. Lectures will be crucial for understanding the material. Students are also expected to have completed **all** readings before each class.

REQUIRED BOOKS

Nudge: Improving Decisions About Health, Wealth, and Happiness

Richard Thaler and Cass R. Sunstein

Publisher: Yale University Press

ISBN: 0300122233

Thinking, Fast and Slow

Daniel Kahneman

Publisher:

ISBN: 978-0374275631

Predictably Irrational: The Hidden Forces That Shape Our Decisions

Dan Ariely

Publisher: HarperCollins

ISBN: 006135323X

Your final grade will be determined by:

	EACH	TOTAL
ATTENDANCE/PARTICIPATION	12 %	12 %
PAPER SUMMARIES/REACTIONS	8 %	24 %
READING QUIZZES	4 %	24 %
NUDGE PRESENTATIONS	10 %	10 %
TAKE HOME FINAL	30 %	30 %

BLACKBOARD: Blackboard is an instrumental part of this course. You can access Northeastern's Blackboard system at: <http://neu.blackboard.com/>

PLAGIARISM: Plagiarism is “the unauthorized use or close imitation of the language and thoughts of another author and the representation of them as one's own original work”¹. If you are suspected of plagiarizing, you will be brought up on charges by the university. If you are found guilty you may be dismissed from the university.

1. **The Random House Dictionary.** (2010). In *Encyclopædia Britannica*. Retrieved August 19, 2010, from Encyclopædia Britannica Online: <http://www.britannica.com/EBchecked/topic/491056/The-Random-House-Dictionary>

STUDENTS WITH DISABILITIES: Students with Faculty Contact Sheets for this class need to present them to the instructor as soon as possible. Other students requiring reasonable accommodations, as covered under the Americans with Disabilities Act, should contact the Accessibility Center to discuss needed accommodations. Questions and requests for reasonable accommodations should be directed to Building D, Room 104, phone (773) 442-5495.

NOVEMBER 9TH IS THE LAST DAY FOR STUDENTS TO DROP A CLASS OR COMPLETELY WITHDRAW FROM THE SEMESTER (NO FINANCIAL CREDIT) AND RECEIVE A GRADE OF "W"

Additional Reading List

- Karp, Gregory. "Profile: Richard Thaler," *Chicago Tribune*, April 30th, 2012. 00-A
- Lewis, Michael. "The King of Human Error," *Vanity Fair*, November, 2011. 00-B
- Kahneman, David. "2002 Nobel Prize Lecture." Available online at:
<http://nobelprize.org/mediaplayer/index.php?id=531>
- "The Referee's an Anchor," *The Economist*, March 12, 2011 01-A
- "Something Doesn't Add Up," *The Economist*, June 30, 2012 01-B
- "Tall, Dark, and Stable," *The Economist*, July 14, 2012 01-C
- "The Joy of the Nudge Olympics," *The Economist*, August 11, 2012 01-D
- Ashraf, Nava, Colin F. Camerer, and George Loewenstein. (2005) "Adam Smith, Behavioral Economist," *Journal of Economic Perspectives*, 19(3): 131{145. 02-A
- Boettke, Caceres, and Martin. " Error is Obvious, Coordination is the Puzzle," *SSRN Working Paper, Hayek and Behavioral Economics*, Roger Frantz, Robert Leeson, eds., *Palgrave-MacMillan, Forthcoming*. February 13th, 2012. 02-B
- List, John. 2004. "Neoclassical Theory Versus Prospect Theory: Evidence From the Marketplace." *Econometrica* 72(2): 615-625. 04-A
- Schelling, Thomas. 1984. "Self-Command in Practice, in Policy, and in a Theory of Rational Choice." *American Economic Review* 74(2): 1-11. 05-A
- Cosmides, Leda and John Tooby. 1994. "Better Than Rational: Evolutionary Psychology and the Invisible Hand." *American Economic Review* 84(2): 327-332. 09-A
- Zak, Paul J. "Neuroeconomics Explained", *The Moral Molecule Blog in Psychology Today*. November 7, 2008. 10-A
- "The New Paternalism: The Avuncular State" *The Economist*, April 6th, 2006. 12-A