**Course Descriptor**

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| Title of the course | **Behavioral and Experimental Economics** |
| Title of the Academic Programme  | Economics |
| Type of the course  | Elective, available to foreign students |
| Prerequisites | Game Theory |
| ECTS workload | 3 |
| Total indicative study hours | Directed Study | Self-directed study  | Total |
| 36 | 78 | 114 |
| Course Overview | **Main objective of the course** is to understand human behavior beyond microeconomic theory. To do that, we will touch upon both experiments and theory. From the experimental side, we will study the most profound observations from the lab and the field, learn basic techniques how to create and evaluate your own experimental data. From the theoretical side, we will study basic theories that attempt to explain observed biases and learn how to extend the standard economic models to account for behavioral aspects.**The course** has three parts: – introduction to standard microeconomic theory (topics 2, 4, 6) and aspects of human cognition and behavior that limit its application (topics 3,5,7),– main behavioral theories and related experiments that tackle these limits of standard theory (topics 8-11). |
| Intended Learning Outcomes (ILO) | **Key competences** acquired in the course make a student able:– to distinguish the standard rational agent behavior from the observed patterns,– to identify behavioral biases in economically relevant situations,– to describe the observed behavior using the established academic theories,– to propose a falsifiable hypothesis w.r.t. a certain aspect of behavior, and an experiment to test it.**Additional competences** acquired in the course make students able:– to construct a mathematical model of an observed bias and solve it,– to design and run an experiment. |
| Teaching and Learning Methods | Lectures, seminars, in-class experiments. |
| Content and Structure of the Course |
| **№** | **Topic / Course Chapter** |
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| 1 | Introduction to BEE |
| 2 | Rational choice under certainty |
| 3 | Behavioral choice under certainty |
| 4 | Probability judgment |
| 5 | Judgment under risk and uncertainty |
| 6 | Rational choice under risk |
| 7 | Behavioral choice under risk |
| 8 | Intertemporal choice |
| 9 | Behavioral game theory |
| 10 | Other-regarding preferences |
| 11 | Belief-management |
| Indicative Assessment Methods and Strategy  | **Assessment** is based on the final exam grade (60%), in-class participation (10%) and tests (10%), homework assignments (20%), grades are averaged arithmetically. More specifically:Cumulative grade = 0.25\*Participation+0.25\*Tests+0.5\*Assignments;Final grade = 0.6\*Exam + 0.4\*Cumulative grade.The written exam includes a question for each topic of the course and lasts 90 minutes. The maximal grade for the exam is 100 points.The in-class participation is measured in terms of attendance and readiness, responding to questions, posing questions, etc. The maximal grade for the in-class participation is 10 points.The tests are short quizzes and essays in the beginning of each class designed to test the understanding of the previous lecture. The maximal grade for the tests is 10 points.The assignments are homework problem sets for each lecture. The maximal grade for the assignments is 10 points. |
| Readings / Indicative Learning Resources | MandatoryFréchette, Guillaume R. and Schotter, Andrew, (eds). *Handbook of Experimental Economic Methodology* (2015; pubd online Mar. 2015). Oxford Scholarship Online,  [http://proxylibrary.hse.ru:2101/view/10.1093/acprof:oso/9780195328325.001.0001/acprof-9780195328325?rskey=T2RwJj&result=11](http://proxylibrary.hse.ru:2101/view/10.1093/acprof%3Aoso/9780195328325.001.0001/acprof-9780195328325?rskey=T2RwJj&result=11)OptionalBrañas-Garza P, Cabrales A. *Experimental Economics : Volume II: Economic Applications*. Basingstoke, Hampshire [UK]: Palgrave Macmillan; 2016[https://proxylibrary.hse.ru:2176/book/10.1057%2F9781137538161](https://proxylibrary.hse.ru:2176/book/10.1057/9781137538161)Burkett, John P. Microeconomics: Optimization, Experiments, and Behavior. : Oxford University Press, October 03, 2011. Oxford Scholarship Online. [http://proxylibrary.hse.ru:2101/view/10.1093/acprof:oso/9780195189629.001.0001/acprof-9780195189629?rskey=T2RwJj&result=1](http://proxylibrary.hse.ru:2101/view/10.1093/acprof%3Aoso/9780195189629.001.0001/acprof-9780195189629?rskey=T2RwJj&result=1) |
| Academic Support for the Course | LMS |
| Facilities, Equipment and Software | - |
| Course Instructor | Alexander Nesterov, Xenia Adaeva |