EMORY UNIVERSITY
Department of Economics

Economics and Psychology
Economics 315
Spring 2018
Dr. Kelli Lanier

Syllabus

Course Description
Economics and Psychology (a.k.a. Behavioral Economics) is a relatively new field in Economics that incorporates social and cognitive psychology into economic thinking and modeling. This new area has recently gained attention and momentum as people learned to realize that a better understanding of human behavior can help economists better understand economic choices and processes. Behavioral economists’ main methodological tool is laboratory experimentation. In the lab, researchers can observe choices in a controlled environment to test the descriptive power of traditional economic models of choice and to document regular patterns of behavior. By incorporating psychology in decision making, including reference points, self-control, decision costs and heuristics, and social emotions (envy, shame, and guilt), we will enrich the standard economic model of behavior. We will emphasize results from laboratory experiments in both economics and psychology to learn about preferences, cognition, and behavior. Economic applications include choice under risk, game theory, public economics, health economics, and labor economics.

Prerequisites: ECON 101 and ECON 112

Office: Rich 311C; e-mail: klanier@emory.edu
Office Hours: Monday: 11:00 – 2:00
By Appointment


Recommended Books: There are several interesting and relevant books related to topics we will discuss in this course. I will recommend them to you as we progress through the material. Often, I will make excerpts available for you to read.

Online Resources: We will use online/smartphone surveying tools during class.

Announcements: You are responsible for any announcements or assignments made in class and/or on Canvas. In particular, there will be several articles to read, classroom assignments, and occasional group assignments.
**Honor Code:** The honor code is in effect throughout the semester. By taking this course, you affirm that it is a violation of the code to cheat on exams, to plagiarize, to deviate from the teacher’s instructions about collaboration on work that is submitted for grades, to give false information to a faculty member, and to undertake any other form of academic misconduct. You agree that the teacher is entitled to move you to another seat during examinations, without explanation. You also affirm that if you witness others violating the code you have a duty to report them to the honor council. If you have a question concerning what is appropriate for an assignment or anything else, ask me. In general, you are expected to behave such that your academic integrity is beyond question. Please see Article 4 of the honor code if you have any questions regarding academic misconduct:

http://catalog.college.emory.edu/academic/policies-regulations/honor-code.html

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**GRADING AND TESTS**

The grades in this course will be determined as follows:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Weight in Final Grade</th>
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<tbody>
<tr>
<td>Classwork</td>
<td>10%</td>
</tr>
<tr>
<td>Quizzes</td>
<td>10%</td>
</tr>
<tr>
<td>Class Participation</td>
<td>10%</td>
</tr>
<tr>
<td>Midterm Exams</td>
<td>40%</td>
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<tr>
<td>Final Exam</td>
<td>30%</td>
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The Economics Department has adopted the following suggestion regarding grade distributions:

- A/A- not to exceed 35%
- A through B- not to exceed 80%
- C+ or below at least 20%

In light of these guidelines, numerical grades *may* align with letter grades as follows:

- $\geq 96\%$ receives at least an A
- $\geq 93\%$ receives at least an A-
- $\geq 90\%$ receives at least a B+
- $\geq 86\%$ receives at least a B
- $\geq 83\%$ receives at least a B-
- $\geq 77\%$ receives at least a C+
- $\geq 73\%$ receives at least a C
- $\geq 70\%$ receives at least a C-
- $\geq 67\%$ receives at least a D+
- $\geq 60\%$ receives at least a D
- $< 60\%$ receives a F
Exams (70%): There will be two in-class exams and a final exam. Each in-class exam will be worth 20% of your final grade. The comprehensive final exam will be worth 30% of your final grade. Exams will cover the assigned reading from the textbook, the core material discussed in the lectures, the study guides, and any additional assigned reading. It is vital, therefore, to attend class to ensure you do not miss relevant material. No make-up exams are given. If you are ill, or must miss an exam for some other reason, please contact me prior to the exam. Failure to do so may result in a failing grade. For an excused absence, the other exams will be weighted more heavily in place of the missing exam.

The dates of the exams are as follows:
Exam 1: Friday, February 23
Exam 2: Tuesday, April 3
Final Exam: Thursday, May 3 from 8:00 to 10:30

Classwork (10%): For each chapter or topic covered, I will provide a list of study questions that you should complete (alone or with a small group of classmates). These questions will be similar in style and difficulty to those you will see on the midterm and final exams. On three days during the course, we will have graded Classwork Assignments. On these days, you may bring your study guides to class to aid in your completion of a few open response questions. Questions on these assignments will resemble exam questions.

   CW #1: Thursday, February 15
   CW #2: Friday, March 23
   CW #3: Friday, April 20

Quizzes (10%): There will be at least ten (10) unannounced quizzes. Each of these quizzes counts 1% of your final grade. You will get half a point for turning in the quiz sheet and another half point for demonstrating sufficient effort, even if the answer is not perfect. On the other hand, if you fail to turn in the quiz sheet when I collect them you will not get a point for that quiz. I will not accept late turn-ins or offer make-up quizzes. (Note: there may be more than ten quizzes. Your 10 highest quiz scores will count towards your grade.)

Class Participation (10%): Despite being lecture based, this course is designed to be highly interactive. In order to learn the material, I strongly recommend you make every effort to arrive on time and participate. I will circulate a sign-in sheet for you to initial at the beginning of class. In addition to the Classwork Assignments discussed above, there will be many opportunities to work alone or with your classmates on small tasks. Some of these tasks may be graded. These points along with your vocal participation in class discussions will account for 10% of your final grade.
**Expected Conduct**

It is everyone’s responsibility to foster mutually respectful learning environments. In this course, we will strive to have a positive, friendly, and productive environment. Specifically, expectations are as follows:

**Instructor:**
- I will come to class prepared to teach the material you need to learn in this course.
- I will make every effort to arrive on time, begin class on time, and release you on time.
- I will answer your questions to the best of my ability and respond in a timely fashion should I not immediately know the answer.
- I will hold regular office hours and be available to answer your questions.

**Students:**
- You are expected to arrive on time and prepared for class. (Late arrival disturbs everyone and will not be allowed.)
- Please turn off your phones and all other electronics before you enter class. Quiz scores may be reduced if your phone rings or if you send unrequested text messages in class.
- Participate in class discussions, and do not hold side conversations.
- Be attentive and take detailed notes.
- Complete study guide questions as they are assigned. Economics requires gradual learning.
- Please discuss with me any problems you may have in the course or any suggestions to improve the course.

**Email Etiquette:** Please email me at klanier@emory.edu. When you write, identify yourself and which course you are in. I will do my best to respond to your email within 24 hours (on a weekday). Before emailing, please consider posing your question to a classmate.

**Canvas:** Canvas is a communication medium used to make announcements, distribute handouts and lectures, post reading material, collect assignments, and record and distribute grades. To access your Canvas dashboard, go to: https://canvas.emory.edu. Use your email ID and Password to log in and select our course. There you will find relevant material as we move through the semester.

**Computer Use:** We will frequently use computers and/or smartphones during class. You will be notified in advance if a laptop is needed for a group activity. (If you do not have one available to bring, you will be placed in a group with someone who does.) Unless instructed, please do not use computers during class.
Intended Course Outline

(Note: I have identified the relevant chapters within the text. Many topics will be heavily supplemented during lectures and/or with additional reading assignments.)

Part 1 – Choice under Certainty
Ch. 02 – Rational Choice under Certainty
Ch. 03 – Decision Making under Certainty

Part 2 – Judgment under Risk and Uncertainty
Ch. 04 – Probability Judgment
Ch. 05 – Judgment under Risk and Uncertainty

Part 3 – Choice under Risk and Uncertainty
Ch. 06 – Rational Choice under Risk and Uncertainty
Ch. 07 – Decision-Making under Risk and Uncertainty

Part 4 – Intertemporal Choice
Ch. 08 – The Discounted Utility Model
Ch. 09 – Intertemporal Choice

Part 5 – Strategic Interaction*
Ch. 10 – Analytical Game Theory
Ch. 11 – Behavioral Game Theory

*Note: We may not cover this section of the textbook during the semester.