MASTER BDEEM | COURSE SYLLABUS

Behavioral and Experimental Economics

Integrating behavioral considerations into economic analysis

MASTER BDEEM

Behavioral and Digital Economics for Effective Management

PROGRAMME	SEMESTER	CREDITS	CONTACT HOURS
Master 1	Semester 2	3 ECTS	18h Lectures

Course Description

This course presents the most important theories and hypotheses of behavioral economics, along with the main empirical method used to investigate these theories: experimental economics.

The first part discusses the contribution of behavioral economics to traditional economics analysis, providing a short introduction to the philosophy of science and focusing on the differences between economics and psychology. The second part presents the main behavioral theories, analyzing systematic biases of human decisions—such as loss aversion, probability misperception, and temporal inconsistencies—and presenting the most famous experiments.

This course is shared with Master 1 QAE

Learning Outcomes

- Understand the advantages and drawbacks of introducing more realistic behavioral features into economic analysis.
- Formalize the main human biases and their consequences on important economic phenomena (e.g., resistance to change, financial bubbles and crashes, bank runs, efficiency wages, inefficient bargaining, wrong incentives).
- Conceptualize good experimental designs and recognize the most famous types of experiments.

Indicative Content

1. **Philosophy of Science**: Introduction to the philosophy of science and differences between economics and psychology.
2. **Isolated Decisions**: Individual decisions in isolation and deterministic settings.
3. **Risk and Uncertainty**: Individual decisions under risk and uncertainty.
4. **Interactions**: Decisions involving interactions between economic agents.
5. **Behavioral Biases**: Analysis of systematic behavioral biases and prominent experiments.

Teaching & Learning Approach

This course is structured around standard lectures, along with direct applications from classroom experiments.

Assessment

Continuous Assessment + Written Exam