

Module Handbook

TUK MODHB Homepage

Course WIW-FE-CUC-K-7

Choice under Uncertainty (3V, 4.5 LP)

Course Type

SWS	Type	Course Form	CP (Effort)	Presence-Time / Self-Study
3	V	Lecture	4.5 CP	45 h 90 h
(3V)			4.5 CP	45 h 90 h

Basedata

SWS	3V
CP, Effort	4.5 CP = 135 h
Position of the semester	1 Sem. in WiSe
Level	[7] Master (Advanced)
Language	[EN] English
Lecturers	Wenzelburger, Jan, Prof. Dr. (PROF DEPT: WIW)
Area of study	[WIW-FE] Macroeconomics
Additional informations	Informations about the course
Lifecycle-State	[NORM] Active

Contents

The aim of this module is to develop a theoretical understanding of choice behavior under uncertainty. Models on how agents make decisions in situations with uncertainty are discussed. We first discuss classical expected utility theory, then recent approaches to the choice behavior of decision makers.

Topics:

- Preferences over lotteries
- Expected Utility theory
- Allais Paradox, Ellsberg Paradox, Machina Paradox
- Risk Aversion
- Risk Management
- Consumption and savings
- Elements of prospect theory

Literature

Lecture Notes

Requirements for attendance (informal)

None

Requirements for attendance (formal)

None

References to Course [WIW-FE-CUC-K-7]

Module	Name	Context	
[WIW-FE-CUC-M-7]	Choice under Uncertainty	P: Obligatory	3V, 4.5 LP