

## Module Handbook

TUK MODHB Homepage

# Course WIW-IOE-BEIE-K-7

Behavioural Economics and Applications (3K, 4.5 LP)

## Course Type

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

## Basedata

SWS	3K
CP, Effort	4.5 CP = 135 h
Position of the semester	1 Sem. in WiSe
Level	[7] Master (Advanced)
Language	[EN] English
Lecturers	Rauber, Tom, M. Sc. (WMA   DEPT: WIW)
Area of study	[WIW-IOE] Microeconomics
Lifecycle-State	[NORM] Active

## Contents

Description of (experimentally) observed behaviour and human decision making by behavioural economic concepts

Central Topics:

- Need for Behavioural Economics, its development over the last decades and its relevance for modern economics
- Choice under certainty
- Judgment under risk and uncertainty
- Choice under risk and uncertainty

- Intertemporal choices
- Strategic interaction
- Markets with naïve consumers
- Negative wage elasticities
- Empirical evidence
- Behavioural economic modifications of models in industrial organisation
- Further applications in industrial organisation from recent publications

## Competencies / intended learning achievements

On successful completion of the module students are able to:

- Describe deviations of human behaviour from the model of homo economicus.
- Explain crucial experiments in behavioural economics and their results which are used to characterise human behaviour and decision making.
- Formulate behavioural models as more adequate alternative to the corresponding concepts of the neoclassical theory.
- Analyse a wide variety of economic phenomena applying behavioural concepts.
- Develop policy implications based on the behavioural economic analysis.
- To use behavioural economics concepts to analyse the behaviour of market participants.
- To show how companies benefit from naïve consumers.

## Literature

- Angner, Erik (2016): A Course in Behavioral Economics. 2. Edition London, New York, Palgrave MacMillan.
- Beck, Hanno (2014): Behavioral Economics. Eine Einführung. 1. Edition, Wiesbaden, Springer Gabler.
- Camerer, Colin F.; Loewenstein, George F.; Rabin, Matthew (2004): Advances in Behavioral Economics. 1. Edition, New York, Princeton, Oxford, Russell Sage Foundation, Princeton University Press.
- Dhimi, Sanjit S. (2016): The Foundations of Behavioral Economic Analysis. 1. Edition, Oxford, New York, Oxford University Press.
- Wilkinson, Nick; Klaes, Matthias (2018): An Introduction to Behavioral Economics. 3. Edition, London, Palgrave; Macmillan

## Materials

- Lecture slides
- Problem sets
- Seminal papers

## Requirements for attendance (informal)

A course in microeconomics and game theory, analytic thinking

## Requirements for attendance (formal)

The module 'Behavioural Economic Theory' has not been completed.

## References to Course [WIW-IOE-BEIE-K-7]

Module	Name	Context	
[WIW-IOE-BEIE-M-7]	Behavioural Economics and Applications	P: Obligatory	3K, 4.5 LP