

Module Handbook

TUK MODHB Homepage

Module WIW-IOE-BEIE-M-7

Behavioural Economics and Applications (M, 4.5 LP)

Module Identification

Module Number	Module Name	CP (Effort)
WIW-IOE-BEIE-M-7	<i>Behavioural Economics and Applications</i>	4.5 CP (135 h)

Basedata

CP, Effort	4.5 CP = 135 h
Position of the semester	1 Sem. in WiSe
Level	[7] Master (Advanced)
Language	[EN] English
Module Manager	Weinschenk, Philipp, Prof. Dr. (PROF DEPT: WIW)
Lecturers	Rauber, Tom, M. Sc. (WMA DEPT: WIW)
Area of study	[WIW-IOE] Microeconomics
Reference course of study	[WIW-88.21-SG#2009] M.Sc. Business Studies (2009) [2009]
Lifecycle-State	[NORM] Active

Courses

Type/SWS	Course Number	Choice in Module-Part	SL	PL	CP	Sem.
3K	WIW-IOE-BEIE-K-7	P	-	PL1	4.5	WiSe

- About [WIW-IOE-BEIE-K-7]: Title: "Behavioural Economics and Applications"; Presence-Time: 45 h; Self-Study: 90 h

Examination achievement PL1

- Form of examination: **Portfolio**

- Examination Frequency: each winter semester

Presentation of seminal papers and oral examination (30 Min.)

Evaluation of grades

All partial module examinations have to be passed. The module grade is the weighted average of the partial examination grades according to the following weights:

The module grade is composed of the grade of the module examination and the grade of the compulsory presentation. The module grade results from the following weighting proportions: The module examination is weighted with 70% and the presentation with 30%. The module examination and the presentation must be passed in order to pass the module.

Contents

From [WIW-IOE-BEIE-K-7] Behavioural Economics and Applications:

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

From [WIW-IOE-BEIE-K-7] Behavioural Economics and Applications:

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

From [WIW-IOE-BEIE-K-7] Behavioural Economics and Applications:

- 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.
- Dhama, 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 of the module (informal)

A course in microeconomics and game theory, analytic thinking

Requirements for attendance of the module (formal)

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

References to Module / Module Number [WIW-IOE-BEIE-M-7]

Module-Pool	Name
[WIW-EIE-MPOOL-7]	Field of Specialization: Environmental and Industrial Economics
[WIW-IOE-MPOOL-7]	Field of Specialization: Industrial Economics