

Study Abroad Programme

The module description below is from the 2019/20 academic year and is subject to change, and for the use of study abroad students only.

Module name	Topics in Behavioural Economics
Module code	PS3031
School	School of Arts and Social Sciences
Department or equivalent	Department of Psychology
UK credits	15
ECTS	7.5
Level	6

MODULE SUMMARY

Module outline and aims

This module is designed to provide you with an overview of the insights gained from incorporating psychology into economic models, an area of research referred to as Behavioural Economics. Standard economic theories, based on notions of rationality, often fail to predict real human behaviour. Instead of always making rational decisions, individuals often procrastinate, are impatient, care about fairness and others, try to avoid losses at all costs, are subject to psychological biases, and diverge from rational behaviour in other predictable ways. Behavioural economics is therefore at the intersection of economics and psychology. This course is a non-technical introduction to the fast growing literature on behavioural economics and will sample a variety of topics from this field.

The aims of the module are to:

- Critically discuss insights from behavioural economics
- Gain an understanding of the determinants of human behaviour
- Encourage you to think about how individuals, corporations or policymakers could apply findings from behavioural economics research
- Learn to effectively communicate the content of a scientific paper on behavioural economics

Indicative content

- What is behavioural economics? Failures of the rationality paradigm
- The UK government MINDSCAPE approach
- Social influence: Types and techniques
- Behaviour change: Theories, methods and pitfalls
- Decisions across time, hyperbolic discounting
- Reference dependence
- Self-regulation and goal setting
- Social preferences: reciprocity and altruism
- Welfare and policy: Happiness and utility

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Pre-requisite Modules

None

WHAT WILL I BE EXPECTED TO ACHIEVE?

On successful completion of this module, you will be expected to be able to:

Knowledge and understanding:

- Demonstrate an ability to evaluate different theories in behavioural economics research
- Critically evaluate research on behavioural economics, including identifying potential weaknesses in previous research
- Understand how human behaviour can be more effectively predicted and implications for influencing human choices
- Understand how findings from behavioural economics research may be used by individuals, corporations and government

Skills:

- Independently formulate research questions relating to behavioural economics
- Critically evaluate scientific research papers
- Carry out independent web-based and library research
- Critically discuss a specific topic in the area of behavioural economics
- Present their research on a specific topic to their peers

Values and attitudes:

- Appreciate the importance of a scientific approach to study human behaviour
- Appreciate the ethical implications of influencing human behaviour

HOW WILL I LEARN?

A variety of learning and teaching methods will be used including: lectures, essay writing and academic reading. You will be encouraged to contribute to the module through actively participating within the class setting.

You will be asked to write your weekly observations about how principles of behavioural economics are used by the government or private companies in a journal, starting in week 3 and ending in week 7 (5 observations in total). These observations should include references to the relevant literature. For instance, in one week you might observe how a new advertising campaign employs behavioural economic principles, in another week you may discuss a new government policy. This exercise will help your understanding of how behavioural economic principles are applied in the real world.

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Key learning resources will be put on the module website on Moodle.

Teaching pattern:

Teaching component	Teaching type	Contact hours (scheduled)	Self-directed study hours (independent)	Total student learning hours
Lecture	Lectures	20	100	120
Guided study	Guided independent study	0	30	30
Totals		20	130	150

WHAT TYPES OF ASSESSMENT AND FEEDBACK CAN I EXPECT?

Assessments

A 1750-word journal that record 5 applications of behavioural economics in the real world.

A 1-hour essay based exam.

Assessment pattern:

Assessment component	Assessment type	Weighting	Minimum qualifying mark	Pass/Fail?
Exam	Written Exam	50	30	N/A
Journal	Written assignment	50	30	N/A

Assessment criteria

Assessment Criteria are descriptions of the skills, knowledge or attributes students need to demonstrate in order to complete an assessment successfully and Grade-Related Criteria are descriptions of the skills, knowledge or attributes students need to demonstrate to achieve a certain grade or mark in an assessment. Assessment Criteria and Grade-Related Criteria for module assessments will be made available to students prior to an assessment taking place. More information will be available from the module leader.

Feedback on assessment

Following an assessment, students will be given their marks and feedback in line with the Assessment

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Regulations and Policy. More information on the timing and type of feedback that will be provided for each assessment will be available from the module leader.

Assessment Regulations

The Pass mark for the module is 40%. Any minimum qualifying marks for specific assessments are listed in the table above. The weighting of the different components can also be found above. The Programme Specification contains information on what happens if you fail an assessment component or the module.

INDICATIVE READING LIST

Angner, E. (2012). *A Course in Behavioral Economics* (p. 272). Palgrave Macmillan.
Ariely, D. (2008). *Predictably irrational: The hidden forces that shape our decisions*. HarperCollins.
Kahneman, D. (2011). *Thinking, fast and slow* (p. 512). Farrar, Straus and Giroux.
Kahneman, D., Slovic, P., & Tversky, A. (Eds.). (1982). *Judgment under uncertainty: Heuristics and biases* (p. 544). Cambridge University Press.
Kahneman, D., & Sugden, R. (2005). Experienced Utility as a Standard of Policy Evaluation. *Environmental and Resource Economics*, 32(1), 161–181. doi:10.1007/s10640-005-6032-4
Thaler, R. H., & Sunstein, C. R. (2008). *Nudge: Improving decisions about health, wealth, and happiness*. Yale University Press.
Further reading will be provided in class and on-line on the website for this module on Moodle (moodle.city.ac.uk).