COURSE SPECIFICATION DOCUMENT

Academic School/Department: Richmond Business School

Programme: Economics

***FHEQ* Level:**   6

Course Title: Behavioural Economics

Course Code: ECN 6101

Student Engagement Hours: 160

Lectures: 30
Seminar / Tutorials: 15
Independent / Guided Learning: 100
Supervision: 15

Credits: 16 UK CATS credits
                                       8 ECTS credits
                                       4 US credits

Course Description:
Behavioural economics involves examining the assumptions underlying 'standard' economic theories and models and revising these assumptions and models to place them on a more realistic psychological foundation. The overall objective is to increase the explanatory power of economic theories and to enable more accurate predictions to be made from such theories.

Prerequisites:
ECN 5205 Intermediate Microeconomics or MGT 5400 Organisational Behaviour

Aims and Objectives:
This Course aims to:

- Present the principles and methods of behavioural economics in a logical and amenable manner, contrasting them with those of the standard economic model (SEM).
- Illustrate how a behavioural economic model (BEM) is superior to the SEM in terms of power of explanation and prediction, using a wide variety of empirical examples from both observational and experimental studies.
- Explain the policy implications of the BEM, particularly when these differ from those of the SEM.
- Provide a coherent psychological framework underpinning the findings of behavioural economics.
- Indicate the way forward for the subject, in terms of future challenges and areas meriting further research.

Programme Outcomes

ECN: A1, A3, A4, A5, B1, B2, B3, B4, C1, C2, C3, C4, C5, C7, C8

A detailed list of the programme outcomes is found in the Programme Specification. This is maintained by Registry and located at:
https://www.richmond.ac.uk/programme-and-course-specifications/

Learning Outcomes:
By the end of this course, successful students should be able to:

Subject knowledge and understanding
- Demonstrate an understanding of the nature of behavioural economics, its objectives and methods.
- Explain the concepts of attitudes, values, preferences and choices and the differences between them.
- Explain the concepts relating to mental accounting.
- Discuss the concept and role of rationality in decision-making.
- Explain the issues involved in inter-temporal decision-making.
- Explain the issues involved in social interaction and how this affects decision-making.

Subject-specific skills
- Analyse situations involving decision-making under uncertainty.
- Analyse situations involving intertemporal decision-making.
- Analyse situations involving social interaction.
- Game-theoretic analysis, including both iterated games and repeated games.

Other skills
- Address case studies and discuss and analyse the relevant issues.
- Dissect research papers and determine the main conclusions.

Numeracy
- Utilize models of hyperbolic discounting to explain time-inconsistent preferences.
- Apply appropriate game-theoretic models to social interaction situations to explain decision-making.

Indicative Content:
- Nature, scope and history of behavioural economics.
- Methods.
- Values, preferences, and choices.
- Beliefs, heuristics, and biases.
- Decision making under risk and uncertainty.
- Mental accounting.
- Intertemporal decision making.
- Behavioural game theory.
- Social preferences.

Assessment:
This course conforms to the University Assessment Norms approved at Academic Board and located at: https://www.richmond.ac.uk/university-policies/

Teaching Methodology:
The course will be taught using a variety of methods including lectures, directed and undirected reading, film clips, case studies, project work, and discussions.

Indicative Text(s):
Ariely, D., 2009. *Predictably Irrational.* London: HarperCollins.

Dhami, S., 2016. *The Foundations of Behavioral Economic*

Analysis. Oxford: Oxford University Press.

Kahneman, D., 2011. *Thinking, Fast and Slow.* London:

Allen Lane.

Sapolsky, R., 2018. *Behave: The Biology of Humans at our*

Best and Worst. London: Vintage.

Thaler, R. and Sunstein, S., 2009. *Nudge: Improving Decisions about Health,*

Wealth and Happiness. London: Penguin.

Wilkinson, N. and Klaes, M., 2018. *An Introduction to Behavioral*

Economics. London: Palgrave Macmillan.

Journals
American Economic
Review Economic Journal
Journal of Consumer Research Psychological
Review Journal of Economic Behavior and
Organization Journal of Marketing Research
Journal of Personality and Social
Psychology Psychological Bulletin
Quarterly Journal of Economics

Web Sites
Economist (www.economist.com)

See syllabus for complete reading list

Change Log for this CSD:

Nature of Change	Date Approved & Approval Body (School or LTPC)	Change Actioned by Academic Registry
Various updates as part of the UG programme review	AB JAN 2022	
Revision – annual update	May 2023	
Prerequisites updated	Jan 2024	