

Behavioral Economics 5IE412

1. Pro-social preferences: Fairness, Altruism (prediction vs. evidence, basic models of fairness, warm-glow giving, development of pro-social preferences)
2. Pro- social preferences: Reciprocity, Trust (evidence, trust games, gift-exchange games, role of intentions, social pressure)
3. Reference dependence, Loss aversion, Risk aversion (evidence, Allais- St. Petersburg paradox, measurement of risk preferences)
4. Inter-temporal choice (evidence, standard vs. hyperbolic discounting, committed/ naive/ sophisticated decision makers)
5. Audience Effects, Shame, Reputation (evidence, model of audience effects, shame and altruistic behavior)
6. Overconfidence (evidence from financial markets/ health care, overconfidence types, ego-utility consequences, gender differences)
7. Learning (adaption vs. learning, reinforced learning: deterministic, stochastic, other learning types)
8. Cultural effects (different values in the culture, developed societies vs. small scale societies, external validity of the experiments with the students from developed countries)
9. Cheating (elicitation of cheating behavior, theoretical reasons for honest behavior, behavioral justification of cheating, "Size of the Lie" model- Gneezy et al., 2018)
10. Intrinsic motivation vs Extrinsic Incentives (evidence and policy relevance of the problem, crowding theory: hidden costs of reward)
11. Coordination (different types of coordination problems, beauty contests: standard results and applications, ways to overcome coordination failure)