ECON-4970 Behavioral and Experimental Economics  
Syllabus - Spring 2019

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Class Time: Tue/Thu, 4:30PM-5:45PM  
Classroom: Cate Center One, room 237  
Office Hours: Wed 11AM-12PM, Thu 10.30AM-11.30AM, and by appointment

Course Description
During this course, we will use an experimental approach to understand standard economics models better. Also we will see how the economists use behavioral factors to explain why some results do not fit the theoretical prediction of the standard models. Charles Holt presents in his book a set of different economic experiments and the theory behind these experiments. The main topics that we will cover during this course are: market equilibrium, game theory, public choices, auctions, bargaining.

Textbooks
Recommended:  

Additional readings (optional):  

Grades
Your final grade will be based on attendance (5%), bonus (5%), experiment reports (15%), homework/projects (20%), a midterm (20%), and final exam (35%).

Grading scale:  
A: 90% <= your score  
B: 80% <= your score < 90%;  
C: 70% <= your score < 80%;  
D: 60% <= your score < 70%;  
F: your score < 60%.

Obs.1: 89.99 is a B, 79.99 is a C, and so on. There will be no rounding up.  
Obs.2: Your final grade is based on your performance in this course and not on the fact that you need a certain grade (A, B, C, D) to graduate, apply for a certain program, financial aid,
scholarship, etc. So please be sure to put the effort during the semester to get the grade you need to graduate, apply for programs, financial aid, scholarship, etc.

There will be a midterm and the final exam on the dates indicated below. The final exam will be cumulative. All exams will cover the material from the chapters from Charles Holt’s textbook that we discussed in class, results from our in-class experiments, additional readings, the lecture notes and the homework. **Any student caught cheating will receive an F for the course.**

**MAKEUP EXAM POLICY:** There will be NO MAKEUP exams, no exceptions. If you miss the midterm without a valid excuse you will get a ZERO grade. If you have a valid excuse and bring solid documentation, you can be excused and the grade from your final will be re-weighted to account for the missed exam. **You should not miss the final!**

**Exam Dates**
Midterm - Thursday, March 7
Final – Wednesday, May 8, 4:30AM-6:30PM, Cate Center One, room 237

**5% Bonus**
At the beginning of the semester you will receive a bonus of 5% towards your grade. However, you lose 1% of this bonus each time you ask me a question that is already answered in this syllabus, such as “Where is your office?” or “When do you have office hours?”, or something that I have mentioned in one of my emails. You lose 1% as well each time when you use the cell phone during our lecture.

**Homework, project, and experiments reports**
I will assign homework and experiments reports during the entire semester. Please pay attention during class and check Canvas website for posted assignments. Assignments need to be turned in on time, **no late assignment will be accepted.** If you have plans or anticipate problems when an assignment is due, make sure you submit it early.

**Attendance**
Attendance is required. I will take attendance randomly. In order to get the maximum score for the attendance, you should not miss more than a total of 2 lectures when I took attendance. If you have a strong reason to miss more than 2 lectures, you have to **bring strong documentation for ALL the times when you missed a lecture.** Also you should let me know in advance about missing the lectures (when it is possible).

If you leave the lecture before the end of it without my permission, I will consider that you did not attend that lecture.

**If you miss a lecture, it is your responsibility to talk to your colleagues, get the notes from them and/or get familiar with the material that you have missed.**
For each time you miss a lecture and do not provide strong documentation you lose 1% from the 5% allocated for the attendance.

**Example:**
- Someone misses 2 lectures: I will not ask for the documentation and the person receives 5%
- Someone misses 3 lectures: I will need documentation for all 3 lectures. If the person brings documentation only for one of these days, that person will lose 2% from the total of 5%.
Obs.: If you write the name of your colleague on the attendance list, it will be considered cheating.

Office hours
I am in my office during office hours unless other duties (i.e., committee work, interaction with a visitor to the Department of Economics) make that impossible, in which case I will inform you. If you need to see me outside regular office hours, send me an e-mail to make an appointment.

Notifications
I will use the Canvas website and the e-mail in order to send you information such as readings, homework assignments or to post files and grades online. Please use your OU email account when you would like to send me an email. I will not reply to any email that comes from other email accounts such as Yahoo, Gmail, etc.
Each time you write me an email, I would recommend you to write the course and section number in the subject of the email so your email will be moved in this course folder in my email box.

I will not post solutions to problems (or other topics) that I have covered during the lecture. As I have mentioned, it is your responsibility to talk to your colleagues, get the notes from them.

Etiquette
1) Turn off cell phones, pagers and other electronic devices during class.
2) Do not use your laptop for other things besides the ones related to our class (doing your homework or projects for this class is not allowed as well). You should not open any program or application (such as games, Facebook, ESPN website, e-mail account, and so forth) that is not related to our lecture. If I see you using the laptop for other purposes, you will lose the privilege to use the laptop during our lecture and 2% from the bonus points.
3) Do not read newspapers or similar materials during class.
4) Do not eat in class.
5) If you have a question relevant to the lecture, please ask me and I will try to answer it. Otherwise please wait until the lecture is over and then you can ask or talk to your colleague.
6) Please do not be late. This is not just important for this course (someone late will disturb the lecture and his/her colleagues when entering the classroom), but it is also very important for you to get used to be on time in the future. If you are late, you cannot attend the lecture without my permission.

Course schedule
For this course I will use mainly Charles Holt’s textbook (see above). For students not very familiar with the theoretical topics that we cover I recommend the textbooks from the “additional reading” paragraph. However, this is a tentative outline; small changes in the chapters that we will cover might occur. At the end of each lecture usually I will let you know the next chapter that I will cover.

1. Introduction to Experimental Economics (Ch.1).
2. Ultimatum game (Ch. 12)
3. Trust Game (Ch. 13)
4. Game Theory (Prisoner’s Dilemma, Coordination Games) (Ch. 3)
5. Game Theory (Randomized Strategies) (Ch. 5)
6. Asset markets and Price Bubbles (Ch. 11)
7. A Pit Market (Ch. 2)
   - midterm somewhere here
8. Monopoly and Cournot Markets (Ch. 6)
9. Private Value Auctions (Ch. 19)
10. Common-Value Auctions and the Winners’ Curse (Ch. 21)
11. Risk and Decision Making (Ch. 4)
12. Public Choice (Voluntary Contributions) (Ch. 14)
13. Minimum effort game (coordination game) (Ch. 26)
14. Multi-Stage Games (Ch. 23)

Final exam.

**Tips how to answer an essay question (for the exams and homework)**

On the internet you can find many websites with advices how to answer an essay question. One webpage that I like is the following:

http://www.bio.fsu.edu/courses/pcb4673/answering_essay_questions.html

This webpage states:

“An effective answer will not do the following:

- restate the question (which wastes time)
- list everything that could conceivably be relevant to the question (which not only wastes time but suggests to the grader that you can't distinguish relevant from irrelevant information)
- place potentially useful statements of fact in random order (which forces the grader to attempt to discern your logic, usually to your detriment)
- use vague or very general sentences (which forces the grader to guess what you really meant to write)

An effective answer will do the following:

- state the major point as the first sentence (which declares an immediate focus for your answer and inspires confidence in the grader that you know what you are doing as you answer the question)
- organize supportive or explanatory material to follow the major point (which helps the grader understand your logic and the intent of your answer)
- use specific terms and careful language (which helps minimize ambiguity so that the grader does not misinterpret the meaning of the answer)”