BEHAVIORAL AND EXPERIMENTAL ECONOMICS

IDEA PhD

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Office Hours: E-mail appointment. Office 166

Scheduling: Pedro Rey-Biel, will lecture in the first half of the course, while Jordi Brandts in the second. Lectures will be announces on the IDEA calendar.

Description:

This course will introduce students to the methodologies of behavioral and experimental economics, using both theoretical and experimental approaches. This is one of the fastest growing areas of economic research. The purpose of the course is to show that a formal enrichment of standard economic models using behavioral insights and the design and careful analysis of experiments can be a powerful tool for economic research. The outline of the course will be built using the following guideline:

1. Why Include (and How to) Behavioral Components into Decision Theory and Game Theory Models?
2. How to Design and Analyze Insightful Experiments?
3. External Validity: Lab and Field Experiments as one important Methodological Tool.

The course will survey some of the main research topics in the area. Among them:

- Methodology of Experiments
- Social Preferences
- Cooperation and Public Good Games
- Cognitive Levels of Reasoning
- Uncertainty and Risk
- Markets and Industrial organization
- Coordination and Communication
- Gender
- Related Fields and New Methodologies: Field Experiments and Neuroeconomics

Readings

Journal articles marked by * will be required reading for the course. An interested student expecting to do at least some work on Experimental Economics in the future should take a look at all papers cited. All papers will be available online.

Topic 1: Methodology of Experiments


**Topic 2: (I)Rationality in Individual Decision and in Strategic Interaction**


**Topic 3 Gender**


Irriberr, N., Rey-Biel, P. Stereotypes are Only a Threat when Beliefs are Reinforced. On the Sensitivity of Gender Differences in Performance under Competition to Information Provision (with N. Irriberr). Journal of Economic Behavior and Organization.

Irriberr, N., Rey-Biel, P Stereotypes are Only a Threat when Beliefs are Reinforced. On the Sensitivity of Gender Differences in Performance under Competition to Information Provision (with N. Irriberr). Journal of Economic Behavior and Organization.


**Topic 4 Field Experiments and Other Experimental Methodologies**

**Empirical Papers Data with Behavioral “Flavor” and Experimental Approach:**

**Field Experiments:**

**Neuroeconomics:**

**Econometrics Applied to Experimental Economics.**
Houser, D. “Experiments and Econometrics”. George Mason WP.

**Topic 5: Social Preferences**
*Sobel, J. "Interdependent Preferences and Reciprocity". Journal of Economic Literature, 93,392-436, June 2005.

Topic 6 Markets and Industrial Organization


**Topic 7  Coordination, Communication and Other Organization issues**


**Texts:**

There is no formal textbook for the course. However, the following is a list of books for any student interested in Experimental and Behavioral Economics.

Camerer, C. (2003), Behavioral Game Theory, Princeton University Press.
Frechette, G. and A. Schotter (2016), Handbook of Experimental Economic Methodology, Oxford University Press.
Al Roth’s Game Theory and Experimental Economics Page, 
http://www.economics.harvard.edu/~aroth/alroth.html, contains a wealth of interesting material.

The following books are also interesting (and fun!) for any PhD:


Course Evaluation
Grading will be based on:
1. Design and presentation of an original experiment.
2. Referee report(s) of experimental paper(s).
3. Final exam.
Weights will be announced at the beginning of the course