

SPECIAL TOPICS: BEHAVIORAL ECONOMICS
ECONOMICS EC3390G 001
Department of Economics
Western University

January 2021

General Information:

Instructor: Joshua Foster
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Office hours: Tuesdays from 12:00-2:00 PM using Zoom ([link here](#))
Delivery mode: In person
Meeting time(s): Tuesdays, 2:30-3:30 PM and Thursdays, 2:30-4:30 PM
Classroom: SSC 2020
Course website: <https://owl.uwo.ca/portal>
Undergraduate inquiries: 519-661-3507 or SSC Room 4075 or econugrd@uwo.ca

Registration:

You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release any of your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://student.uwo.ca>. If you notice a problem, please contact your home Faculty Academic Counsellor immediately.

Prerequisite Note:

The prerequisites for this course is are **Economics 2221B, 2222A, and 2261B.**

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken any anti-requisite courses. Lack of prerequisites may not be used as a basis for appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not only help protect your academic record, but will ensure that spaces become available for students who require the course in question for graduation.

Course Description:

This course will review recent findings in the fields of economics and psychology regarding the errors in human judgment and discuss their importance in an economic marketplace. On the one hand, it will increase awareness regarding the common flaws inherent in all humans

while making decisions. On the other hand, it will discuss how “choice architects” can use this information to improve social outcomes in a variety of settings.

This course is fundamentally an economics course. As such, we will be interested in how various incentives and motivations influence the actions of individuals. However, we will take a more realistic approach to decision making than that made in neoclassical economics, which assumes that people are selfish, completely rational, that their preferences are stable, and that they know how to do complicated math and statistics intuitively. We will show that people are not always self-interested nor do they act rationally. They tend to use simple rules to answer complicated questions and thus make systematically predictable errors.

Course Objectives and Learning Outcomes:

Upon completion of this course, a dedicated student should be able to:

- Clearly communicate an understanding of how psychological biases can inform economic models of human behaviour - without relying on technical terms.
- Explain how behavioural economics differs from traditional neoclassical economics.
- Evaluate the contribution of controlled laboratory and field experiments to our general understanding of economic behaviour.
- Critically examine the assumptions that permeate economic models for their realism and value.
- Attain an improved set of communication and writing skills.
- Be able to correctly apply an ethical reasoning framework to analyse a business decision.
- Gain skills in professionalism and be able to conduct themselves in a professional manner.

Textbook(s) and Course Materials:

Richard Thaler, *Misbehaving: The Making of Behavioral Economics*, W & W Norton, 2016.

Attendance:

Attendance is extremely important. It's so important it gets its own section in the course outline.

Assessments and Grading:

Students will be assessed on the following (% toward final grade):

- Weekly Homework Assignments (20%)
- Weekly Quizzes (40%)
- Essay, due at end of term (April 1), 3500 words (~15 pages double-spaced) (40%)

Expectations regarding these assignments:

- During assessments, students are forbidden to communicate with any person other than a proctor or the instructor.
- If there has been an illness self-report or approved, documented official accommodation, a make-up assignment will be offered, or the weight of a missed assignment will be transferred to the next equivalent assessment.
- Written assignments will require submission to Turnitin.

Details on the essay assignment:

- This project is an opportunity for you to use behavioural economic theory to find ways of improving your community. Your task is to propose a public policy that addresses a behavioural bias in a community you are familiar with. The proposal should adhere to Libertarian Paternalistic principles, a topic we will discuss throughout this course. A compelling policy proposal could be nearly anything, but you are expected to use the concepts we develop in class to support your reasoning. A few examples of topic areas include i) cafeteria design and food choice, ii) study habits/procrastination on exam outcomes, or iii) promoting pro-social behaviour through incentivized donations. You will do your best work if you are writing about something you enjoy, so have fun with it!
- Your essay should be i) written by you alone, ii) approximately (and no more than) 3500 words, which is about 15 pages double-spaced, iii) professionally written, which includes proof-reading before submitting, using clear and concise language, considering all possible viewpoints, and citing academic sources to support your arguments.
- Late submissions: essays will be penalized 10% per 24 hours late, up to 72 hours. Essays not submitted within 72 hours of the submission deadline will be given a grade of zero.
- A one page outline for your essay topic must be submitted to the instructor no later than March 1, at which point you will receive feedback and guidance. The outline should answer the following questions regarding your policy proposal: i) what is the nature of the social problem? ii) how does this problem not adhere to standard economic theories of rationality? iii) what behavioural economic theory would you use to explain this problem? iv) broadly speaking, what type of policy intervention would you propose in light of the behavioural component you've identified in part iii? v) what are the expected outcomes of this policy if it were to be implemented successfully?
- Understand that plagiarism will not be tolerated. Refer to the Student Code of Conduct for information regarding the policy on plagiarism. This assignment will require you to submit your essay through Turnitin.

Professionalism, Privacy and Copyright:

- Students are expected to follow the [Student Code of Conduct](#).
- All lectures and course materials, including slides, presentations, outlines, and similar materials, are protected by **copyright**. Students may take notes and make copies of course materials for their own educational purposes only.
- Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, assessments, or any other course materials publicly and/or for commercial purposes without written consent of the instructor.
- Recordings (audio or video) are not permitted without explicit, written permission of the instructor. Permitted recordings may not be distributed or shared.
- Students are expected to follow online etiquette expectations provided on OWL.
- Students may be asked to take an academic integrity pledge before some assessments.
- Some sessions may be recorded by the instructor. Recorded sessions will remain within the course site or be unlisted if streamed.

Please Note
Department & University Policies for Winter 2022

The University expects all students to take responsibility for their own Academic Programs. Students should also check their registration to ensure they are enrolled in the correct courses.

1. **Guidelines, policies, and your academic rights and responsibilities** are posted online in the current Western Academic Calendar at: <http://westerncalendar.uwo.ca>. Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated policies and procedures.
2. Students must familiarize themselves with the “**Rules of Conduct for Examinations**” http://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf.
3. **Cheating as an academic offence:** Students are responsible for understanding what it means to “cheat.” The Department of Economics treats cheating incidents very seriously and will investigate any suspect behavior. Students found guilty will incur penalties that could include a failing grade or being barred from future registration in other Economics courses or programs. The University may impose further penalties such as suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. When taking an idea/passage from another author, it must be acknowledged with quotation marks where appropriate and referenced with footnotes or citations. Plagiarism is an academic offence (see Scholastic Discipline for Undergraduate Students in the Western Calendar at http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_20).

Western University uses software to check for plagiarism and students may be required to electronically submit their work. Those found guilty will be penalized as noted in point 3.

5. It is a Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students must submit assignments to the instructor.
6. **Appeals:** University policies and procedures for appealing a mark can be found in the Student Academic Appeals section in the current Western Academic Calendar at: http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_14. **Please note the relevant deadlines.**

Department of Economics procedures for appealing a mark can be found here: https://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals. The Department will not consider an appeal unless an attempt has been made to settle the matter with the instructor first. Students who remain dissatisfied with the outcome may proceed to submit an appeal to econugrd@uwo.ca. Please follow the instructions and use the appeal form shown in the above link.

7. **Systematic adjustments of a class grade distribution** (either up or down) can occur in Economics courses. The fact that grades have been adjusted is **not** grounds for an appeal.
8. Note the following **add and drop deadlines**:

Deadline to <u>add</u> a second term half course:	Tuesday January 18, 2022
Deadline to <u>drop</u> a second term half course:	Monday March 14, 2022

Policy Regarding Makeup Tests and Final Examinations

Faculty of Social Science policy states that oversleeping or misreading an exam schedule is NOT grounds for a makeup. This rule applies to midterm and final exams in the Department of Economics.

Policies Regarding Academic Accommodation

- The Faculty of Social Science's policies on academic accommodation are found at https://counselling.ssc.uwo.ca/procedures/academic_consideration.html
- **Accommodation for Students with Disabilities:** Students with disabilities or accessibility challenges should work with Accessible Education (formerly SSD, see http://academicsupport.uwo.ca/accessible_education/index.html), which provides recommendations for accommodation based on medical documentation or psychological and cognitive testing. The accommodation policy can be found here: [Academic Accommodation for Students with Disabilities](#).
- **Rewriting Exams and Retroactive Reweighting are NOT Permitted:** Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or retroactive reweighting of marks, is **not** permitted. Self-Reported Absences cannot be used once a student has proceeded to start to write a test or exam.
- **Self-Reported Absences:** Students will have two opportunities during the fall and winter terms to receive academic consideration if they self-report a missed assessment using the online self-reported absence portal, provided the following conditions are met: the assessment is missed due to an absence of no more than 48 hours in duration, and the assessment for which consideration is being sought is worth 30% or less of the student's final grade. Students are expected to contact their instructors within 24 hours of the end of the period of the self-reported absence, unless noted otherwise on the syllabus. Students are not able to use the self-reporting option in the following circumstances:
 - for exams scheduled by the Office of the Registrar (e.g., final exams)
 - absence of a duration greater than 48 hours
 - assessments worth more than 30% of the student's final grade
 - if the student has opened or started the test or exam

- if a student has already used the self-reporting portal twice during the fall/winter terms

If the conditions for a Self-Reported Absence are *not* met, students will need to provide a Student Medical Certificate (SMC) if the absence is medical or provide appropriate documentation if there are compassionate grounds for the absence in question. Students are encouraged to contact their Faculty academic counselling office for more information about the relevant documentation. It is strongly recommended that students notify the instructor as soon as possible, ideally before the assessment, when they become aware of an absence. University policy is that students must communicate with their instructors no later than 24 hours after the end of the period covered by the SMC or immediately upon their return from their documented absence. Failure to follow University policy and procedures may result in denial of academic accommodation and a grade of zero.

- **Documentation for Accommodation:** Individual instructors are not permitted to receive documentation directly from a student, whether in support of an application for consideration on medical grounds or for other reasons. **All required documentation for absences that are not covered by the Self-Reported Absence Policy must be submitted to the Academic Counselling office of a student's Home Faculty.**
- **Western University policy on Consideration for Student Absence** is available here: [Policy on Academic Consideration for Student Absences - Undergraduate Students in First Entry Programs.](#)
- **Student Medical Certificate (SMC):** This form is available here: http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf
- **Religious Accommodation:** Students should consult the University's list of recognized religious holidays and should give reasonable notice in writing, prior to the holiday, to the Instructor and an Academic Counsellor if their course requirements will be affected by a religious observance. Additional information is given in the [Western Multicultural Calendar.](#)

Policy Regarding Class Attendance and Engagement: If the instructor deems a student's attendance or engagement in the class to be unsatisfactory, that student may be prohibited from writing the final examination. Examples of unsatisfactory class engagement include frequent absences from an in-person or synchronous online class, lack of assignment submissions, and inadequate use of online course materials. Instructors who intend to make use of this policy will notify the student in advance.

Statement on Mental Health and Support Services: Students under emotional/mental distress should visit https://uwo.ca/health/mental_wellbeing/ for more information and a complete list of resources on how to obtain help.

Statement on Remote Proctoring: While Western intends to hold most classes, mid-terms and finals in-person, the London-Middlesex Health unity may require western to teach in a

remote format. If this occurs, all assessments will be done remotely and may involve the use of remote proctoring software (i.e., Proctorio, ProctorTrack). Instructors will provide information on the details should the need arise.