

Valid for 2022.HS

Module Name: Introduction to Behavioral Economics			
Module Code	w.BA.XX.2IntBE.XX		
Module Description	<p>The emergence of behavioral economics has changed how economists look at the world and has contributed to a new, more applied approach to research and analysis in economics. Behavioral economics enriches economic thinking by building on insights from psychology (and other social sciences) about human behavior and decision-making that help explain people's choices in economic contexts and allow for a better understanding of economic phenomena. This still relatively new approach has made economics more relevant for practitioners in the world of business and policymaking, as it provides novel solutions to important organizational and societal problems. The module is open to all BSc students, the prerequisite being a basic knowledge of microeconomics. More importantly, students should have a strong interest in understanding relevant societal and organizational problems from a behavioral economics perspective and in developing new and creative solutions to such problems. As the class is taught in English, fluency in the English language as well as the ability to read and understand research articles in English are required. The module introduces the basic approach of behavioral economics as compared to standard economics and provides an overview of some of the most important research findings. Specifically, we will look at research on heuristics and decision-making biases; social preferences, fairness, and cooperation; the importance of reference points and loss aversion; present bias and impatience in intertemporal choice, and overconfidence. The module will be taught as a combination of a seminar and a lecture. Structurally, we start by introducing and understanding the underlying behavioral concept or phenomenon before considering relevant applications in the world of business and policymaking. Such applications are broad and can be found in various domains ranging from organizational design and ethics to marketing and from environmental policy and tax evasion to retirement schemes. The applied tools we will consider involve simple but powerful instruments such as nudging approaches and choice architecture interventions, but we will also briefly cover more complex topics such as behavioral welfare analyses to be able to critically evaluate the success of behavioral economic interventions. Linked to this, there is also room for a critical discussion of the ethical dimension of such interventions. To implement this structure, the lectures will be supplemented by student presentations. In the first weeks, lectures and texts introducing the approach of behavioral economics, in general, will establish the groundwork for the rest of the module. After that, there will be short introductory lectures introducing a behavioral concept or phenomenon followed by student presentations of research articles on that topic. The presentations can be done in groups of two. In addition, at the end of the semester, each student has to prepare a short report describing a research idea for testing a behavioral intervention or theory in an applied or controlled research setting.</p>		
Program and Specialization	§ Business Administration - Specialization in Accounting, Controlling, Auditing § Business Administration - Specialization in Banking and Finance § Business Administration - Specialization in Banking and Finance (FLEX) § Business Administration - Specialization in Banking and Finance (PiE) § Business Administration - Specialization in Behavioral Design § Business Administration - Specialization in Economics and Politics § Business Administration - Specialization in General Management § Business Administration - Specialization in General Management (Flex) § International Management		
Legal Framework	Academic Regulations BSc dated 29.01.2009, Appendix to the Academic Regulations for the degree programs in Business Administration, Business Information Technology, and Business Law, first adopted on 12.05.2009		
Module Category	<table border="1"> <tr> <td>Module Type: Compulsory Elective</td> <td>Program Phase: Main Study Period</td> </tr> </table>	Module Type: Compulsory Elective	Program Phase: Main Study Period
Module Type: Compulsory Elective	Program Phase: Main Study Period		
ECTS	3		
Organizational Unit	W Zentrum für Energie und Umwelt (CEE)		
Module Coordinator	Manuel Grieder (grid)		
Deputy Module Coordinator	-		
Prerequisite Knowledge	<ul style="list-style-type: none"> • Basic knowledge in microeconomics • Ability to read and understand research papers in English 		

Contribution to Program Learning Goals (Affected by Module)	§ Professional Competence § Methodological Competence § Social Competence § Self-Competence		
Contribution to Program Learning Objectives	Professional Competence § Knowing and Understanding Content of Theoretical and Practical Relevance § Apply, Analyze, and Synthesize Content of Theoretical and Practical Relevance § Evaluate Content of Theoretical and Practical Relevance Methodological Competence § Problem-Solving & Critical Thinking § Scientific Methodology § Work Methods, Techniques, and Procedures § Information Literacy § Creativity & Innovation Social Competence § Written Communication § Oral Communication § Teamwork & Conflict Management § Intercultural Insight & Ability to Change Perspective Self-Competence § Self-Management & Self-Reflection § Ethical & Social Responsibility § Learning & Change		
Module Learning Objectives	Students... § understand the limitations (but also the merits) of the standard economic assumptions of rationality and self-interest for modelling or predicting human behavior § understand the importance of empirical testing of theoretical predictions and have an idea of how such tests can be conducted § understand basic behavioral forces such as social preferences and fairness motives, reference dependence and loss aversion, present bias, and overconfidence § get an overview of the most important current findings and discussions in behavioral economics § learn how findings from behavioral economics can be applied to solving organizational and societal problems § understand the ideas behind "nudging" and "choice architecture" approaches and when and how they can be applied most effectively § develop an understanding of the ethical dimensions of nudging and the difficulties inherent to behavioral welfare analysis § understand how to empirically test the success of a behavioral intervention § develop their own ideas for applying behavioral economics in business, politics, or other societal domains § are able to analyze, discuss, and present a research paper in depth		
Module Content	§ Assumptions of standard economics: rationality and self-interest § Decision-making heuristics and biases § Social preferences and fairness motives § Reference dependence and loss aversion § Intertemporal choice, present bias, and impatience § Overconfidence § Nudging and choice architecture § Behavioral public policy and behavioral welfare analysis § Ethical dimensions of nudging and behavioral interventions § Laboratory and field experiments		
Links to other modules	-		
Methods of Instruction	§ Lecture § Interactive Instruction § Application Tasks § Project Work	Social Settings Used: Pair Work	
Digital Resources	Teaching Materials		
Type of Instruction	Classroom Instruction	Guided Self-Study	Autonomous Self-Study
Large Class	-	-	
Small Class	12 h	-	
Group Instruction	-	-	
Practical Work	-	-	
Seminar	10 h	24 h	
Total	22 h	24 h	

Performance Assessment				
End-of-module exam	Form	Length (min.)	Weighting	
-	-	-	-	
Permitted Resources	-			
Others		Assessment	Length (min.)	Weighting
Talk/oral presentation		Grade	20	50,00 %
Written Assignment		Grade	-	50,00 %
Classroom Attendance Requirement	Mandatory Attendance: None			
Language of Instruction/Examination	English			
Compulsory Reading	§ Sunstein, C. (2020). Behavioral Science and Public Policy. Cambridge University Press. ISBN 978-1-108-97278-9. § Kolmar, M. (2022). Behavioral Economics. In: Principles of Microeconomics. Classroom Companion: Economics, Cham: Springer.			
Recommended Reading	-			
Comments	Further reading materials will be assigned at the beginning of the semester, mainly research papers. Participants are expected to read papers to prepare for class.			