

Behavioral Economics (5 ECTS)

The primary goal of this course is an introduction to the insights gained from incorporating psychology into economic modeling. Behavioral economics is one of the fastest growing scientific fields and field of practice. This interdisciplinary field is a combination of concepts derived from microeconomics, social & cognitive psychology, behavioral decision research, consumer research, neuroeconomics, experimental economics etc. Its main focus is on the question “How do people make decisions”. Some of the more specific questions include: How do real people execute decisions to quit smoking, commit to a relationship or save for retirement? How do they cope with risk and uncertainty? How do they weigh the present against the future? How do people perceive money and use it? Do people know what made us happy in the past and what will make us happy in the future? Do we know what made us happy in the past and what will make us happy in the future? How can brain imaging reveal in-depth comprehension of brain processes relevant to decision making? Why we fail on “Mondays” to start dieting or exercising? ...

Besides theoretical insight in this discipline, students will be presented with practical knowledge on how to manage the choice architecture, generate successful business strategies and to improve their own decision-making. Knowledge of these issues can be a significant source of competitive advantage, because they are unknown to most managers and are not taught in most undergraduate and MBA programs.

	<u>COURSE GOALS</u>	<u>COURSE OBJECTIVES</u>
1.	Students will acquire knowledge in the field of behavioral economics	Students will study literature (articles) from the areas of behavioral economics, which will help them to gain the necessary skills required to understand and use concepts derived from this field of judgment and decision making.
3.	ZSEM students will communicate effectively.	Students will prepare presentations based on paper analysis in which they will demonstrate the knowledge along with the ability to master scientific material. Students will participate actively in discussions, exercises and individual work.