

 FLORIDA ATLANTIC UNIVERSITY	NEW COURSE PROPOSAL Undergraduate Programs		UUPC Approval <u>9-9-24</u> UFS Approval _____ SCNS Submittal _____ Confirmed _____ Banner Posted _____ Catalog _____
	Department Economics College Business (To obtain a course number, contact erudolph@fau.edu)		
Prefix ECO Number 4106	(L = Lab Course; C = Combined Lecture/Lab; add if appropriate) Lab Code	Type of Course <input type="text" value="Lecture"/>	Course Title Behavioral Economics
Credits (See Definition of a Credit Hour) 3	Grading (Select One Option) Regular <input checked="" type="radio"/> Sat/UnSat <input type="radio"/>	Course Description (Syllabus must be attached; see Template and Guidelines) A common assumption made by economists is that humans make decisions rationally by weighing the benefits and costs. Behavioral economists, through observation and experiments, point out that people sometimes deviate from the predicted economic choice. Behavioral economics examines the consequences for economic analysis when individuals and groups deviate from rational behavior in identifiable and predictable ways. Behavioral economics ideas can help people become aware of their decision-making practices and (perhaps) nudge them from poor choices.	
Effective Date (TERM & YEAR) Spring 2025	Prerequisites , with minimum grade* ECO 2013 and ECO 2023, with minimum grade of "C" in both courses.	Corequisites	Registration Controls (Major, College, Level)
*Default minimum passing grade is D-. Prereqs., Coreqs. & Reg. Controls are enforced for all sections of course			
WAC/Gordon Rule Course <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No WAC/Gordon Rule criteria must be indicated in syllabus and approval attached to proposal. See WAC Guidelines .		Intellectual Foundations Program (General Education) Requirement (Select One Option) None General Education criteria must be indicated in the syllabus and approval attached to the proposal. See Intellectual Foundations Guidelines .	
Minimum qualifications to teach course MS or Ph.D. in Economics			
Faculty Contact/Email/Phone William Bosshardt/wbosshar@fau.edu/7-2908		List/Attach comments from departments affected by new course	
Approved by Department Chair <u>Monica Escaleras</u> College Curriculum Chair <u>Julie Higgs</u> College Dean <u>Marc A. Rhorer</u> <small>Digitally signed by Marc A. Rhorer Date: 2024.08.27 17:29:36 -0400</small> UUPC Chair <u>Korey Sorge</u> Undergraduate Studies Dean <u>Dan Meeroff</u> UFS President _____ Provost _____		Date 8/21/24 8/28/24 9-9-24 9-9-24 _____ _____	

Email this form and syllabus to mjenning@fau.edu seven business days before the UUPC meeting.

ECO 4106

Behavioral Economics

T R 12:30 – 1:50

3 credits

Spring 2025

Prof. William Bosshardt

Office: BU 203G

Office hours: Office hours

Telephone: 561-297-2908

Email: wbosshar@fau.edu



Course Description

A common assumption made by economists is that humans make decisions rationally by weighing the benefits and costs. Behavioral economists, through observation and experiments, point out that people sometimes deviate from the predicted economic choice. Behavioral economics examines the consequences for economic analysis when individuals and groups deviate from rational behavior in identifiable and predictable ways. Behavioral economics ideas can help people become aware of their decision-making practices and (perhaps) nudge them from poor choices.

Instructional Method

The class will meet live. Some assignments might involve group work. Class may occasionally be online, but this will happen rarely (if at all).

Prerequisites/Corequisites

ECO 2013 and ECO 2023 with minimum grade of “C” in both courses.

Course Objectives/Student Learning Outcomes

At the end of this course, the student should be able to:

1. Understand the differences between how “econs” make decisions and “humans” make decisions.
2. Identify various cognitive biases that humans have and how these biases affect decision making.
3. Identify how businesses use behavioral economic concepts to influence consumer choices.
4. Provide possible policies based on behavioral economic concepts that might be implemented to improve economic outcomes.

Course Evaluation Method

The points available for each type of assignment are given below.

Discussion Boards:	40	points	[Five discussion board assignments will be given.]
Group Work	50	points	[Eight opportunities in class with 7 points each.]
Homework	60	points	[Six homework assignments will be given]
Midterm	100	points	[Tests will include various types of questions including multiple choice, calculations, short answer.]
Final	100	points	[Focusses on later material, but includes some earlier material as well.]

Course Grading Scale

Percentage	Letter Grade
94 – 100 Percent	A
90 – 93.9 Percent	A-
87 – 89.9 Percent	B+
84 – 86.9 Percent	B
80 – 83.9 Percent	B-
77 – 79.9 Percent	C+
74 – 76.9 Percent	C
70 – 73.9 Percent	C-
67 – 69.9 Percent	D+
64 – 66.9 Percent	D
60 – 63.9 Percent	D-
0 – 59.9 Percent	F

Policy on Makeup Tests, Late Work, and Incompletes (if applicable)

Missing Exams:

Exams may be made-up for any legitimate reason (serious illness, family emergency in immediate family, university approved absences), but:

- (1) I will require an excuse written by a doctor or other appropriate person confirming the reason for missing the class, and
- (2) you must let me know by calling me prior to the exam.

All exams must be made up as soon as possible and no later than one week after the exam date. Failure to notify me promptly or verify any excuse will result in deduction of some or all points for the exam.

Attendance Policy

It is always a good idea to attend class live so you do not fall behind. While I do not take attendance, group work does act as an attendance check.

University-Approved Attendance Policy

Students are expected to attend all of their scheduled University classes and to satisfy all academic objectives as outlined by the instructor. The effect of absences upon grades is determined by the instructor, and the University reserves the right to deal at any time with individual cases of non-attendance. Students are responsible for arranging to make up work missed because of legitimate class absence, such as illness, family emergencies, military obligation, court-imposed legal obligations or participation in University-approved activities. Examples of University-approved reasons for absences include participating on an athletic or scholastic team, musical and theatrical performances and debate activities. It is the student's responsibility to give the instructor notice prior to any anticipated absences and within a reasonable amount of time after an unanticipated absence, ordinarily by the next scheduled class meeting. Instructors must allow each student who is absent for a University-approved reason the opportunity to make up work missed without any reduction in the student's final course grade as a direct result of such absence.

Counseling and Psychological Services (CAPS) Center

Life as a university student can be challenging physically, mentally and emotionally. Students who find stress negatively affecting their ability to achieve academic or personal goals may wish to consider utilizing FAU's Counseling and Psychological Services (CAPS) Center. CAPS provides FAU students a range of services – individual counseling, support meetings, and psychiatric services, to name a few – offered to help improve and maintain emotional well-being. For more information, go to <http://www.fau.edu/counseling/>

Disability Policy

In compliance with the Americans with Disabilities Act Amendments Act (ADAAA), students who require reasonable accommodations due to a disability to properly execute coursework must register with Student Accessibility Services (SAS) and follow all SAS procedures. SAS has offices across three of FAU's campuses – Boca Raton, Davie and Jupiter – however disability services are available for students on all campuses. For more information, please visit the SAS website at www.fau.edu/sas/.

Code of Academic Integrity

Students at Florida Atlantic University are expected to maintain the highest ethical standards. Academic dishonesty is considered a serious breach of these ethical standards, because it interferes with the university mission to provide a high quality education in which no student enjoys an unfair advantage over any other. Academic dishonesty is also destructive of the university community, which is grounded in a system of mutual trust and places high value on personal integrity and individual responsibility. Harsh penalties are associated with academic dishonesty. For more information, see [University Regulation 4.001](#).

Required Texts/Readings

Thinking, Fast and Slow. 2011. Daniel Kahneman. ISBN 978-0-374-27563-1

Nudge: The Final Edition. 2021. Richard H. Thaler and Cass R. Sunstein. ISBN 978-0143137009

Course Outline

Topic Outline

Week	Topics	Activity	Book / Articles
1	Introduction to Behavioral Economics Economist's assumptions Cognitive Biases		Kahneman, TFA: Chapters 1 to 9
2	How We Make Decisions: System 1 and System 2		Kahneman, TFA: Chapters 1 to 9
3	Decisions over Time: Present Bias, Decision Criteria in the Future vs. Now	Graphing Impatience	Nudge: The Final Edition, 2021, Chapter 9
4	Decisions with Uncertainty: Prospect Theory, Loss Aversion		Kahneman, TFA: Chapters 25, 26
5	Decisions with Uncertainty: Rare Events, Endowment Effects	Mug Game	Kahneman, TFA: Chapters 27 to 30
6	Influencing Decisions: Anchoring, Framing, Cues		Kahneman, TFA: Chapters 11, 34
7	Review for Midterm, Midterm		

8	Influencing Decisions: Choice Architecture	Compromise Effect	Nudge: The Final Edition, 2021, Chapter 5 Simonson, I., & Tversky, A. (1992). Choice in Context: Tradeoff Contrast and Extremeness Aversion. <i>Journal of Marketing Research</i> , 29(3), 281-295. https://doi.org/10.1177/002224379202900301
9	Other Things Matter: Fairness	Ultimatum Game	
10	How We Remember: Remembering and Experiencing		Kahneman, TFA: Chapters 38 to 38
11	Encouraging "Good Behavior" with Nudges		Nudge: The Final Edition, 2021, Chapter 5
12	Class Discovered Examples of Marketing Uses of Behavioral Concepts		Class presentations
13	Happiness Economics		Dunigan Folk and Elizabeth Dunn. A systematic review of the strength of evidence for the most commonly recommended happiness strategies in mainstream media. <i>Nature Human Behaviour</i> , 2023. https://doi.org/10.1038/s41562-023-01651-4
14	Topics: Importance of Trust (as an example)		
	Final Exam		