



18th LJUBLJANA SUMMER SCHOOL
Take the Best from East and West
3 - 21 July 2017

University of Ljubljana

FACULTY OF
ECONOMICS

LJUBLJANA SUMMER SCHOOL 2017

COURSE TITLE: **BEHAVIOURAL ECONOMICS**

Type of course: Bachelor course (for students in the final year of study) & Master course

Lecturer: **Helena Chytilova**, M.A. (Staffordshire University, University of Antwerp), Ph.D. (University of Economics, Prague), University of Economics, Prague and Charles University, Faculty of Law, Czech Republic

ECTS credits: 7

Aims of the course:

This course aims to introduce students into the major themes of behavioural economics and its application in the real world. Behavioural economics with its integration of psychology of human decision-making into economic analysis identifies situations, in which individuals systematically deviate from predictions of standard economic models based on rationality, with an intention to improve existing models. This course outlines basic concepts of behavioural economics, with consequent formulation of implications for an implementation of public policy in line with „nudging“ in a wide variety of policy relevant domains, including: labor markets, health policy, retirement policy, educational policy, social welfare programs, happiness and others. The goal of the course is to illustrate how behavioural economics might contribute and enhance efficiency of outcomes.

Course syllabus:

4 July- Introduction into Behavioural Economics

5 July- Libertarian Paternalism and its Critique

6 July- Prospect Theory and its Application

Groups should be formed by end of the lecture.

10 July- Endowment Effect, Coase Theorem

11 July- Heuristics and Cognitive Biases and its Application

12 July- Mental Accounting and its Application

Consultation of group projects.

13 July- Choice Architecture and Default Rules and its Application

17 July- Framing and Anchoring and its Application

18 July- Nudging in the World and its Critique

19 July- Group Project Presentations and Discussions



20 July-Study Day

21 July-Examination Day

Bibliography:

- Thaler, R.H., Sunstein, C.R. 2008. Nudge: Improving Decisions About Health, Wealth, and Happiness. New Haven: Yale University Press („N“). ISBN 10014311526X
- Kahneman, D. 2012. Thinking Fast and Slow, Penguin Books, ISBN 9780141033570.
- A Practitioner’s Guide to Nudging, Rotman School of Management, University of Toronto.

Teaching methods:

Lectures will be a composite of lectures, class discussions based on study materials (assigned readings) and application of behavioural economics to “real” case studies. No textbook is required; course materials will be given at the beginning of class.

Prerequisites:

Prior acquaintance with principles of economics is highly desirable.

Examination methods:

- 30% of the final course grade will come from the final examination to be held on 21 July. The exam will assess understanding of the basic principles and terminologies in behavioural economics. The exam will comprise both multiple choice and short answers.
- 40% of the final course grade will come from the group project presentations to be held on 19 July. The group project will assess student’s understanding of behavioural economics and applications of this field to business or public policy issues that are relevant to Slovenia, the European Union, or home country.
- 30% of the final course grade will come from class attendance, class participation, and in-class exercises. Students are expected to have completed assigned readings (based on provided course materials) before particular session in order to contribute to discussion.

Note: This course is comparable to the officially accredited course Behavioural Finance (ECTS: 7) at the Faculty of Economics, University of Ljubljana.

