

Program: B.Com(Economics)				Semester: IV	
Course: Behavioural Economics Academic Year: 2023-2024 Batch: 2022-25				Code: NMUBCOME405	
Teaching Scheme				Evaluation Scheme	
Lectures	Practicals	Tutorials	Credits	Internal Continuous Assessment (ICA) (weightage)	Term End Examinations (TEE) (weightage)
45	Nil	Nil	03	25 Marks	75 Marks
Internal Component					
Class Test (Duration 20 Mins)			Projects / Assignments	Class Participation	
10 Marks			15 Marks (to be assigned in a group of up to 4 students)	-	
Learning Objectives: 1. Understanding the basic principles of Behavioural Economics 2. Analyze how individuals make decisions and the psychological biases that influence their choices. 3. Exploring the implications of Behavioural Economics for public policy and decision-making 4. Applying the principles of Behavioural Economics to real-world problems and decision-making scenarios					
Learning Outcomes: After completion of the course, students would be able to: 1. Develop a deeper understanding of the psychological factors that affect individual decision-making, including the various biases 2. Identify and evaluate real-world examples of behavioural economic phenomena 3. Analyze how behavioural economics can be applied to public policy, such as in the areas of healthcare, education, or environmental regulation. 4. Applying the principles of Behavioural Economics to make better decisions in personal and professional contexts					
Pedagogy: Classroom Learning, problem solving, case studies, games and simulations, peer teaching, role play, projects or assignments.					
Detailed Syllabus: (per session plan) Session Outline For: Behavioural Economics					

Each lecture session would be of one hour duration (45 sessions)

Module	Module Content	Module Wise Pedagogy Used	Module Wise Duration (hrs)	Module Wise Reference Books
I	Introduction to Behavioural Economics <ul style="list-style-type: none"> • Introduction to Behavioral Economics: Traditional Economic Theory and Assumptions, Limits of Rationality, Bounded Rationality • Heuristics and bias: Representativeness, Biases resulting from representativeness, Confirmation bias, Anchoring, Availability, Affect, Overconfidence, Exponential growth bias, other biases 	Lectures and role play	12	<p>Cartwright, E. (2014): “Behavioral Economics”, Routledge. Chapter 1</p> <p>Tversky, A. and Kahneman, D. (1974) “Judgment Under Uncertainty: Heuristics and Biases”, Science, 185(4): 1124– 1131.</p> <p>Matthew Rabin, Joel L. Schrag (1999) “First Impressions Matter: A Model of Confirmatory Bias”, The Quarterly Journal of Economics, 114(1),37–82</p>
II	Risk Preference and Time Preference <ul style="list-style-type: none"> • Introduction to Risk and Time Preferences • Choice with risk: Expected Utility, risk aversion, reference dependence and prospect theory, Insurance, Tax Evasion • Time Preference: hyperbolic discounting, loss aversion and sequences, Time and risk, environmental economics and inter-generational discount factor 	Lectures and role play	12	<p>Cartwright, E. (2014): “Behavioral Economics”, Routledge. Chapter 3 and 4</p> <p>Kahneman, D. and Tversky, A. (1979) “Prospect Theory: An Analysis of Decision Under Risk”, Econometrica, 47(2): 263–291.</p> <p>Ericson, Keith Marzilli, and David Laibson. 2019. “Intertemporal Choice.” Handbook of</p>

				Behavioral Economics - Foundations and Applications 2. Elsevier. https://doi.org/10.1016/bs.hesbe.2018.12.001 .
III	Behavioural insights for Public Policy <ul style="list-style-type: none"> • Role of government in shaping behaviour, Designing good institutions: the tragedy of the commons, matching markets, behavioural economics and institution design • Behavioural insights for public policy, nudge and behaviour change • Fairness and Distributional Effects, Ethical considerations in behavioural public policy 	Lectures Case studies and Role Play	11	<p>Cartwright, E. (2014): “Behavioral Economics”, Routledge. Chapter 11: Policy and behavior</p> <p>Chetty, Raj. 2015. “Behavioral Economics and Public Policy: A Pragmatic Perspective.” American Economic Review. https://doi.org/10.1257/aer.p20151108.</p> <p>Thaler, Richard H. and Cass R. Sunstein. 2008. “Nudge: Improving decisions about health, wealth, and happiness.” Yale University Press, New Haven, CT.</p>
IV	Behavioural Development Economics and Economics of Happiness <ul style="list-style-type: none"> • Behavioural determinants of health and healthcare: Information asymmetry, Behavioural interventions for promoting healthy behaviours, Health and happiness, measuring the value of treatment, improving the remembered utility of treatment • Behavioural economics and education policy: The role of social norms in promoting education • Role of gender and economic outcomes 	Lectures, case studies and role play	10	<p>Cartwright, E. (2014): “Behavioral Economics”, Routledge. Chapter 10</p> <p>Kahneman and Krueger (2006) “Developments in the Measurement of Subjective Wellbeing”, Journal of Economic Perspectives, 20(1): 3–24</p> <p>Niederle, Muriel. 2016. “8. Gender.” Edited by John H. Kagel and</p>

	<ul style="list-style-type: none"> Happiness and utility: Remembered utility, Projection bias, present bias, pre-commitment 			Alvin E. Roth. The Handbook of Experimental Economics, Volume Two. Princeton University Press. https://doi.org/10.1515/9781400883172-009 .
--	--	--	--	---

<p>Any other information:</p> <p>Details of Internal Continuous Assessment (ICA)</p> <p>Test Marks : 10 marks (duration 20 minutes)</p> <p>Assignment Marks: 15</p> <p>Assessment consists of one class test of 10 marks. The class test consists of ten short answer type questions of 1 mark each.</p> <p>Assignment of 15 marks will be assigned in groups, of up to four students.</p>
--

Term End Examination Question Paper Pattern	
Total Marks: 75	Time: 2½ hours
Q1 Answer any two out of the following three questions (Question 1 from module 1)	16
Q2 Answer any two out of the following three questions (Question 2 from module 2)	16
Q3 Answer any two out of the following three questions (Question 3 from module 3)	16
Q4 Answer any two out of the following three questions (Question 4 from module 4)	16
Q5 Read the Case Study and answer the following questions	11

