

Behavioral and Experimental

Economics Academic year: 2016/2017 - 20 hours

Instructors: Prof. Maria Vittoria Levati; Prof. Luca Zarri

Course contents Part 1 (Maria Vittoria Levati; 10 hours)

- Introduction to the theory and practice of experimental economics:

- o What sort of knowledge social scientists can collect in the laboratory and what experiments can tell us about economic theories

- o Specific methods and techniques for conducting economic experiments

Part 2 (Luca Zarri; 10 hours)

- Behavioral Biases in Individual Decision-Making: Bounded Rationality and Bounded Willpower. The Power (and Limits) of Nudges

- Strategic Interaction and Social Preferences: Theory and Experimental Evidence

- Cooperation in Public Goods Game Experiments: Enforcement Mechanisms

Readings o Andreoni, James, William Harbaugh and Lise Vesterlund (2003) The Carrot or the Stick: Rewards, Punishments and Cooperation. *American Economic Review*, 93, 3, 893-902.

o Camerer, Colin (2003) *Behavioral Game Theory: Experiments in Strategic Interaction*. Princeton University Press.

o Camerer, Colin and Ernst Fehr (2004) Measuring Social Norms and Preferences Using Experimental Games: A Guide for Social Scientists, in *Foundations of Human Sociality*, eds. Joseph Henrich et al., 55-95, Oxford: Oxford University Press.

o Camerer, Colin and Richard Thaler (1995) Anomalies: Ultimatums, Dictators and Manners. *Journal of Economic Perspectives*, 9, 209-219.

o Charness, Gary and Matthew Rabin (2002) Understanding Social Preferences with Simple Tests. *Quarterly Journal of Economics*, 117, 817-870.

o DellaVigna, Stefano (2009) Psychology and Economics: Evidence from the Field. *Journal of Economic Literature* 47, 2, 315-372.

o Friedman, Daniel and Shyam Sunder (1994). *Experimental Methods: A Primer for Economists*. Cambridge University Press.

o Guala, Francesco (2005). *The Methodology of Experimental Economics*. Cambridge University Press.

o Kagel, John and Alvin Roth (1995). *Handbook of Experimental Economics*. Princeton University Press.

o List, John (2007) On the Interpretation of Giving in Dictator Games, *Journal of Political Economy*, 115, 3, 482-494. Further papers will be indicated at the beginning of each part of the course.

Evaluation A written essay and presentation of an experimental design