

COURSE CONTENT

Course Coordinator	He Tai-Sen
Course Code	HE4140
Course Title	Experimental Economics
Pre-requisites	HE2001 Microeconomics II
No of AUs	4
Contact Hours	52 hours (2 hrs Lecture + 2 hr Tutorial per week)

Course Aims

This module introduces the experimental methodology in economics—how to design and conduct economic experiments.

Intended Learning Outcomes (ILO)

By the end of this course, you (as a student) would be able to:

1. Explain how experimental methods are applied to study topics in economic preferences, including social, time, and risk preferences.
2. Assess whether a topic of your interest is a good research question and state the hypotheses you want to test
3. Design an appropriate experiment to answer the research question
4. Conduct an economic experiment in a laboratory or field setting

Course Content

1. Introduction to Behavioral and Experimental Economics
2. Social Preference
3. Experimental Methods I: How to Design an Experiment
4. Experimental Method II: How to Conduct an Experiment
5. Risk Preference
6. Time Preference

Assessment (includes both continuous and summative assessment)

1. Continuous Assessment	:	50%
2. Final Exam	:	50%
Total	:	<u>100%</u>

Reading and References

Textbook:

1. Market, Games, and Strategic Behavior by Charles A. Holt.
2. Research Methods Design and Analysis by Larry B. Christensen, R. Burke Johnson and Lisa A. Turner.

*Chapters from the above textbooks are compiled into 1 customized textbook titled **Experimental Economics**, ISBN: 9789814598101. Available at bookstore.*

3. Handbook of Research Methods and Applications in Experimental Economics edited by Arthur Schram and Aljaz Ule

Assigned Papers:

You will need to read the following assigned papers. This might be difficult for many of you. You can avoid the technical parts but please try your best to understand these papers. (Please be noted that this is a tentative list.)

1. Charness, G., & Gneezy, U. (2009). Incentives to Exercise. *Econometrica*, 77(3), 909–931.
2. Van den Assem, M. J., van Dolder, D., & Thaler, R. H. (2011). Split or Steal? Cooperative Behavior When the Stakes Are Large. *Management Science*. <https://doi.org/10.1287/mnsc.1110.1413>
3. Cherry, T. L., Frykblom, P., & Shogren, J. F. (2002). Hardnose the Dictator. *The American Economic Review*, 92(4), 1218–1221.
4. Rand, D. G., Greene, J. D., & Nowak, M. A. (2012). Spontaneous giving and calculated greed. *Nature*. <https://doi.org/10.1038/nature11467>
5. Cohn, A., Fehr, E., & Marechal, M. A. (2014). Business culture and dishonesty in the banking industry. *Nature*, 516(7529), 86–89.
6. Drouvelis, M., & Grosskopf, B. (2016). The Effects of Induced Emotions on Pro-Social Behaviour. *Journal of Public Economics*, 134, 1–8.
7. Ifcher, J., & Zarghamee, H. (2011). Happiness and Time Preference : The Effect of Positive Affect in a Random-Assignment Experiment. *American Economic Review*, 101(7), 3109–3129.
8. Andersson, O., Holm, H. J., Tyran, J., & Wengström, E. (2016). Deciding for Others Reduces Loss Aversion. *Management Science*, 62(1), 29–36.

Course Instructors

Instructor	Office Location	Email
He Tai-Sen	SHHK 04-40	TS.HE@ntu.edu.sg

Planned Weekly Schedule

Week	Topic	Course LO	Readings/ Activities
1	Introduction to Behavioral and Experimental Economics	1,3	Lectures
2	Introduction to Behavioral and Experimental Economics	1,3	Lectures
3	Social Preference	1, 2, 3	Lecture and assigned paper presentation
4	Social Preference	1, 2, 3	Lecture and assigned paper presentation
5	Social Preference	1, 2, 3	Lecture and assigned paper presentation
6	Experimental Methods I: How to Design an Experiment	2,3,4	Lecture and assigned paper presentation
7	Midterm Quiz	-	-
Recess Week			
8	Experimental Methods I: How to Design an Experiment	2,3,4	Lecture and assigned paper presentation
9	Experimental Method II: How to Conduct an Experiment	3, 4	Lecture and assigned paper presentation
10	Risk Preference	1, 2, 3	Lecture and assigned paper presentation
11	Risk Preference	1, 2, 3	Lecture and assigned paper presentation
12	Time Preference	1, 2, 3	Lecture and assigned paper presentation
13	Review	-	-