

Valid from 2025.FS

<b>Module description: Introduction to Behavioral Economics</b>	
<b>Module Code</b>	w.BA.XX.2IntBE.XX
<b>ECTS Credits</b>	3
<b>Language of Instruction/Examination</b>	English
<b>Module Description</b>	<p>Have you ever wondered why people behave so differently from what you expect? Or how understanding this behavior might improve policies to address challenging organizational and societal issues? The emergence of behavioral economics marked a shift in how economists look at the world. Behavioral economics enriches economic thinking by building on insights from psychology (and other social sciences) about human behavior and decision-making that help explain people's choices in economic contexts and allow for a better understanding of economic phenomena. This still relatively new approach has made economics more relevant for developing novel solutions to important organizational issues (e.g., the motivation of bonuses and salaries) and societal problems (e.g., collectively addressing climate change, pandemics, wars etc.). The module is open to all BSc students, the prerequisite being a basic knowledge of microeconomics. More importantly, students should have a strong interest in understanding relevant societal and organizational problems from a behavioral economics perspective and in developing new and creative solutions to such problems. As the class is taught in English, fluency in the English language as well as the ability to read and understand research articles in English are required. The module introduces the basic approach of behavioral economics compared to standard economics and provides an overview of some of the most important research findings. Specifically, we will look at research on heuristics and decision-making biases and their implications for choice architecture and nudging; social norms, (mis)perceptions of behaviors of others and (un)fairness; the importance of reference points and loss aversion; present bias in intertemporal choice and uncertainty, and the relevance of emotions and experiences for decision-making. The module will be taught as a combination of a seminar and a lecture. Structurally, we start by introducing and understanding the underlying behavioral concept or phenomenon before considering relevant applications in the world of policymaking. Such applications are broad and can be found in various domains ranging from organizational design and ethics to marketing and from environmental policy and tax evasion to retirement schemes. The applied tools we will consider involve simple but powerful instruments such as nudging approaches and choice architecture interventions, but we will also briefly cover more complex topics such as behavioral cost-benefit analyses to be able to critically evaluate the success of behavioral economic interventions. Linked to this, there is also room for a critical discussion of the ethical dimension of such interventions. To implement this structure, the lectures will be supplemented by student presentations. In the earlier weeks, lectures and texts introducing the approach of behavioral economics, in general, will establish the groundwork for the rest of the module. After that, there will be short introductory lectures introducing a behavioral concept or phenomenon and in the following lesson there will be student presentations (groups of two) on research articles about that topic. In addition, at the end of the semester, groups of four students must prepare a short video testing a behavioral intervention or theory in a real-world setting.</p>
<b>Organizational Unit</b>	Zentrum für Energie und Umwelt (CEE)
<b>Module Coordinator</b>	Annina Boogen
<b>Deputy Module Coordinator</b>	Devon Wemyss

## Module description: Introduction to Behavioral Economics

<b>Program and Specialization</b>	<ul style="list-style-type: none"> <li>• Business Administration - Specialization in Accounting, Controlling, Auditing</li> <li>• Business Administration - Specialization in Banking and Finance</li> <li>• Business Administration - Specialization in Banking and Finance (FLEX)</li> <li>• Business Administration - Specialization in Behavioral Design</li> <li>• Business Administration - Specialization in Economics and Politics</li> <li>• Business Administration - Specialization in Financial Management</li> <li>• Business Administration - Specialization in General Management</li> <li>• Business Administration - Specialization in General Management (Flex)</li> <li>• Business Administration - Specialization in Marketing</li> <li>• Business Administration - Specialization in Politics and Management</li> <li>• Business Administration - Specialization in Risk and Insurance</li> <li>• International Management</li> </ul>	
<b>Legal Framework</b>	<p>Academic Regulations BSc dated 29.01.2009, for the degree programs in Business Administration, International Management, Business Information Technology, Business Law, Business Law and Applied Law, first adopted on 12.05.2009</p>	
<b>Module Category</b>	<b>Module Type</b> Compulsory Elective	<b>Program Phase</b> Main Study Period
<b>Prerequisite Knowledge</b>	<ul style="list-style-type: none"> <li>• Basic knowledge of microeconomics</li> <li>• Ability to read and understand research papers in English</li> </ul>	
<b>Contribution to Program Learning Objectives (by the concerned Module)</b>	<ul style="list-style-type: none"> <li>• Professional Competence</li> <li>• Methodological Competence</li> <li>• Social Competence</li> <li>• Self-Competence</li> </ul>	
<b>Contribution to Program Learning Objectives</b>	<p><b>Professional Competence</b></p> <ul style="list-style-type: none"> <li>• Knowing and Understanding Content of Theoretical and Practical Relevance</li> <li>• Apply, Analyze, and Synthesize Content of Theoretical and Practical Relevance</li> <li>• Evaluate Content of Theoretical and Practical Relevance</li> </ul> <p><b>Methodological Competence</b></p> <ul style="list-style-type: none"> <li>• Problem-Solving &amp; Critical Thinking</li> <li>• Scientific Methodology</li> <li>• Work Methods, Techniques, and Procedures</li> <li>• Information Literacy</li> <li>• Creativity &amp; Innovation</li> </ul> <p><b>Social Competence</b></p> <ul style="list-style-type: none"> <li>• Written Communication</li> <li>• Oral Communication</li> <li>• Teamwork &amp; Conflict Management</li> <li>• Intercultural Insight &amp; Ability to Change Perspective</li> </ul> <p><b>Self-Competence</b></p> <ul style="list-style-type: none"> <li>• Self-Management &amp; Self-Reflection</li> <li>• Ethical &amp; Social Responsibility</li> <li>• Learning &amp; Change</li> </ul>	

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<b>Module Learning Objectives</b>	<p>Students...</p> <ul style="list-style-type: none"> <li>• understand the limitations (but also the merits) of the standard economic assumptions of rationality and self-interest for modelling or predicting human behavior.</li> <li>• understand the importance of empirical testing of theoretical predictions and a basic knowledge of how such tests can be conducted.</li> <li>• understand basic behavioral forces such as decision-making heuristics, social norms and (un)fairness, reference dependence and loss aversion, present bias and uncertainty, and the relevance of emotions and experiences for decision-making.</li> <li>• acquire an overview of the most important current findings and discussions in behavioral economics.</li> <li>• learn how findings from behavioral economics can be applied to solving organizational and societal problems.</li> <li>• understand the ideas behind "nudging" and "choice architecture" approaches, including when and how they can be applied most effectively.</li> <li>• develop an understanding of the ethical dimensions of nudging and the difficulties inherent to behavioral welfare analysis.</li> <li>• understand how to test the success of a behavioral intervention empirically.</li> <li>• develop their own ideas for applying behavioral economics in business, politics, or other societal domains.</li> <li>• are able to analyze, discuss, and produce an in-depth research paper.</li> </ul>
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<b>Module Content</b>	<ul style="list-style-type: none"> <li>• Assumptions of standard economics: rationality and self-interest.</li> <li>• Decision-making heuristics and biases for choice architecture and nudging.</li> <li>• Social norms, (mis)perceptions and (un)fairness.</li> <li>• Reference dependence and loss aversion.</li> <li>• Present bias and uncertainty.</li> <li>• Behavioral public policy.</li> <li>• Relevance of emotions and experiences on decision-making.</li> <li>• Ethical dimensions of nudging and behavioral interventions.</li> <li>• Laboratory and field experiments.</li> </ul>
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<b>Links to other modules</b>	This module is linked to the following modules:
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<b>Digital Learning Resources</b>	<ul style="list-style-type: none"> <li>• Reader</li> </ul>
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<b>Methods of Instruction</b>	<ul style="list-style-type: none"> <li>• Interactive Instruction</li> <li>• Lecture</li> <li>• Project Work</li> <li>• Application Tasks</li> </ul>	<b>Social Settings Used:</b> <ul style="list-style-type: none"> <li>• Group Work</li> <li>• Pair Work</li> </ul>
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<b>Type of Instruction</b>		<b>Classroom Instruction</b>	<b>Guided Self-Study</b>	<b>Autonomous Self-Study</b>
	Large Class	-	-	
	Small Class	12 h	-	
	Group Instruction	-	-	
	Practical Work	-	-	
	Seminar	10 h	24 h	
	<b>Total</b>	<b>22 h</b>	<b>24 h</b>	<b>44 h</b>

<b>Performance Assessment</b>	<b>End-of-module exam</b>		<b>Form</b>	<b>Length (min.)</b>	<b>Weighting</b>
	-				
	<b>Permitted Resources</b>				
	<b>Others</b>	<b>Assessment</b>	<b>Format</b>	<b>Length (min.)</b>	<b>Weighting</b>
	Video assignment	Grade	Gruppenarbeit	0	50.00
Talk/oral presentation	Grade	Partnerarbeit	20	50.00	

## Module description: Introduction to Behavioral Economics

<b>Classroom Attendance Requirement</b>	None
<b>Compulsory Reading</b>	<ul style="list-style-type: none"><li>• Further reading materials will be assigned at the beginning of the semester, mainly research papers. Participants are expected to read papers in preparation for classwork.</li><li>• Sunstein, C. (2020). Behavioral Science and Public Policy (Chapters 1–4). Cambridge University Press. ISBN 978-1-108-97278-9.</li><li>• Kolmar, M. (2022). Chapter: Behavioral Economics. In: Principles of Microeconomics. Classroom Companion: Economics, Cham: Springer.</li></ul>
<b>Recommended Reading</b>	
<b>Comments</b>	