

Subject card

Subject name and code	Behavioural Economics. Psychology of Decision Making, PG_00102448						
Field of study	Economics, International Economic Relations						
Date of commencement of studies	October 2024	Academic year of realisation of subject			2025/2026		
Education level	Master's studies	Subject group			Obligatory subject group in the field of study Optional subject group		
Mode of study	full-time studies	Mode of delivery			at the university		
Year of study	2	Language of instruction			English		
Semester of study	4	ECTS credits			5.0		
Learning profile	academic	Assessment form			credit		
Conducting unit							
Name and surname of lecturer (lecturers)	Subject supervisor		prof. dr hab. Jacek Zaucha				
	Teachers		prof. dr hab. Jacek Zaucha				
Lesson types	Lesson type	Lecture	Tutorial	Laboratory	Project	Seminar	SUM
	Number of study hours	30.0	0.0	0.0	0.0	0.0	30
	E-learning hours included: 0.0						
Learning activity and number of study hours	Learning activity	Participation in didactic classes included in study plan		Participation in consultation hours		Self-study	SUM
	Number of study hours	30		0.0		0.0	30
Subject objectives	The student has become familiar with and is able to practically use theoretical models and research results of behavioral economics for professional purposes.						

Learning outcomes	Course outcome	Subject outcome	Method of verification
	[EKONMU2_W05] has an extended knowledge of the human being as a manufacturer and consumer and extended knowledge of the human being as a creator of culture and social structures	The student has extended knowledge in the field of behavioral economics about man as a producer and consumer and extended knowledge about man as a creator of culture and social structures	[SW1] oral statement/ conversation/discussion [SW2] presentation/project/paper/ report
	[EKONMU2_K03] inspires and organizes preparation of economic and social projects, following the idea of sustainable development, reconciling legal, economic, ecological, political and social requirements	The student inspires and organizes the preparation of projects in the field of behavioral economics	[SK1] oral statement/conversation/ discussion [SK2] presentation/project/paper/ report
	[MSGMU2_W14] has an in-depth knowledge of the human being as an individual making economic decisions, acting in social structures and organisational units, in particular in enterprises operating on the international market	Student has acquired in-depth knowledge in the field of behavioral economics about humans as entities making economic and social decisions	[SW1] oral statement/ conversation/discussion [SW2] presentation/project/paper/ report
	[EKONMU2_U13] can manage teamwork as well as interact and work in a team (including in an international environment) assuming a leading role in it	he student is able to manage the work of a team and cooperate and work in a team, especially an international one, in the preparation and implementation of behavioral experiments.	[SU2] presentation/project/paper/ report
	[MSGMU2_U14] has a thorough ability to prepare specialist oral presentations on economic and social issues, using specialist theoretical approaches, the principles of collecting data from various sources, their description and interpretation, and drawing conclusions on the basis of scientific literature; can prepare and lead a debate	The student has advanced skills in preparing specialized oral presentations in English on the issues of behavioral economics.	[SU1] oral statement/conversation/ discussion [SU2] presentation/project/paper/ report
	[EKONMU2_U07] can independently propose solutions to complex economic or social problems, select methods of analysis and conduct conclusive procedures in this respect	The student is able to independently propose solutions to a complex economic or social problem using behavioral economics methods.	[SU1] oral statement/conversation/ discussion [SU2] presentation/project/paper/ report
	[MSGMU2_U12] can manage teamwork, cooperate and work in a team, in particular an international one, taking a leading role in it	The student is able to manage the work of a team and cooperate and work in a team, especially an international one, in the preparation and implementation of behavioral experiments.	[SU2] presentation/project/paper/ report
	[MSGMU2_K04] is ready to think and act in an entrepreneurial manner; adapts to new situations and conditions; undertakes challenges of creative thinking; acquires resilience to failures; assesses risks and threats and finds ways of counteracting their effects	Using knowledge from the field of behavioral economics, the student is ready to think and act in an entrepreneurial way, adapts to new situations and conditions, takes on the challenges of creative thinking,	[SK1] oral statement/conversation/ discussion [SK2] presentation/project/paper/ report
	[MSGMU2_K03] is ready to actively participate in groups, organisations and institutions conducting professional projects concerning the functioning of economic entities in the conditions of globalisation and the development of integration processes	Using the achievements of behavioral economics, the student is ready to actively participate in projects concerning the functioning of economic entities	[SK2] presentation/project/paper/ report
	[EKONMU2_U08] can independently analyse economic and social phenomena and processes, and can perform a theoretically deepened assessment of such phenomena, using appropriately selected research method	The student is able to independently analyze economic and social phenomena and processes, has the ability to theoretically assess these phenomena using behavioral economics methods.	[SU1] oral statement/conversation/ discussion [SU2] presentation/project/paper/ report

	Course outcome	Subject outcome	Method of verification
	[EKONMU2_K04] is ready to think and act in an entrepreneurial manner; adapts to new situations and conditions; undertakes challenges of creative thinking; acquires resilience to failures; can assess risks and threats and find ways of counteracting their effects	The student, using the achievements and knowledge in the field of behavioral economics, is ready to think and act in an entrepreneurial way; adapts to new situations and conditions, takes on the challenges of creative thinking, acquires resistance to failure, is able to assess risks and threats and find ways to counteract their effects	[SK1] oral statement/conversation/discussion [SK2] presentation/project/paper/report

Subject contents	<p>Course description:</p> <p>Module 1: Rational decision making</p> <ul style="list-style-type: none"> • Decision making under conditions of risk and uncertainty, • Decision tree • Expected value, • Expected utility, • Petersburg paradox, • Case studies on practical use of the expected value. <p>Module 2: Induction to the behavioural economics</p> <ul style="list-style-type: none"> • Von Neuman and Morgenstern theory, • Bounded rationality , • Preferences and economic motives of people, • Role of leading motives, • Reduced rationality of human economic choices, • Reduced rationality or different levels of rationality? • Behavioural economics in relation to the main stream economics. <p>Module 3: System 1 and System 2</p> <ul style="list-style-type: none"> • How do we take decisions, • Automatic decisions and intuition, • Effort required to take conscious decisions, depletion effect, • Priming effect, • Cognitive ease, • Looking for explanations- coherent stories and norms, • Halo effect, • WYSIATI, • Question substituting <p>Module 4: Heuristics and fallacies</p> <ul style="list-style-type: none"> • Affect heuristic, • Small numbers fallacy, • Availability heuristic , • Anchoring, • Representativeness heuristic, • Regression fallacy, • Framing, • Overconfidence and loss aversion: <ul style="list-style-type: none"> - Illusion of validity, - Planning fallacy, - Pervasive optimistic bias, • Sunk costs fallacy. <p>Module 5: Prospect theory</p> <ul style="list-style-type: none"> • A neutral reference point, - adaptation level , • A principle of diminishing sensitivity in the evaluation of changes of wealth, • Loss aversion versus risk seeking, • Bad versus good choices, • Certainty and possibility effect, • Non-linear weighting of probabilities: for instance Prelec's function, • Endowment effect . <p>Module 6: Altruism</p> <ul style="list-style-type: none"> • Reciprocal altruism, • Altruism versus cooperation, • Devotion as a part of altruistic behaviours, • Altruism as investment, • Genders and altruistic approach. <p>Module 7: Experiments and praxis</p> <ul style="list-style-type: none"> • Designing a behavioural experiment, • Discussing and finetuning the experiment concept, • Conducting the experiment, • Presentation of the research outcomes of the students experiments and discussing them, • Workshop on behavioural public finance - discussion on the outcomes of the students experiments.
------------------	--

	The experiments preparation will be discussed with students also during office hours		
Prerequisites and co-requisites	non		
Assessment methods and criteria	Subject passing criteria	Passing threshold	Percentage of the final grade
	Behavioural experiment	51.0%	20.0%
	Takin part in the workshops (level of engagement)	51.0%	80.0%
Recommended reading	Basic literature	<ul style="list-style-type: none"> DAN ARIELY, Predictably Irrational. Harper Collins Publishers 2008 DANIEL KAHNEMAN, Thinking fast and slow. Macmillan 2001 	
	Supplementary literature	DAN ARIELY, The upside of irrationality, Harper Collins Publishers, 2010	
	eResources addresses		
Example issues/ example questions/ tasks being completed	<p>Come up with a practical example how you will use in day to day economic relations (put your self in the hat of manager of a big supermarket, CEO of a big company or Head of marketing agency or as a prime minister of your government) the knowledge on:</p> <p>Ego-depletion,</p> <p>Priming effect,</p> <p>Cognitive ease</p> <p>Inclination to make coherent stories (a bias to believe)</p> <p>Hallo effect</p> <p>WYSIATI</p> <p>Question substituting</p> <p>If you need to discuss your ideas, I invite you to my office hours</p>		
Work placement	Not applicable		

Document generated electronically. Does not require a seal or signature.