

McGill University
Department of Economics
ECON-510 Experimental Economics

General Information

Course-Section: ECON510

Year/Term: 2018/Winter

Course schedule: Mondays, from 11:35am to 2:25pm.

first/last class: January 8/April 16

Location: Leacock 212

Credits: 3

Prerequisites: ECON230, ECON250.

Instructor Information

Instructor: Diego Pulido

e-mail: diego.pulidolema@mail.mcgill.ca

Office Hours: Mondays, from 9:00am to 10:00am.

Office: Leacock 437

Course Overview

The first purpose of this course is to give you an introduction to the experimental economics literature. In addition, the course will give you the tools to design and implement your own experiments, both in the lab and the field.

Learning Outcomes

At the end of this course, you,

- will be familiarized with the literature in experimental economics;
- will understand why experiments could be useful and how they complement more traditional research methods in economics; and
- will be able to design and implement your own experiments.

Class Format

A typical class session will have the following structure:

- **Quiz:** About half of the class sessions will start with a 15 minutes quiz about the readings assigned for that day (more information on the grading section).
- **Lecture:** Then, I will make a 45-60 minutes lecture introducing the topic of the day. I will try to make the lecture as interactive as possible. My hope is that our lectures will resemble more a seminar than a lecture. I expect you to participate at all time giving me your informed (you already read) insights and opinions about each topic.
- **Break:** 15 minutes break.
- **Paper presentation:** Each class, three students will make a 15 minutes presentation about a paper that exemplifies the literature on the topic of the day (more information on the grading section).
- **Experimental session:** We will recreate some of the most important experiments and discuss their outcomes and importance.

At every point, I expect your active participation! There is little point in making a course on experimental economics in which you sit passively and take notes on a long lecture that will take three hours (I am afraid most of you would fall sleep).

Attendance

You must come to class! From the start, make sure you have the time availability to come to class. If you have any time conflicts that will not allow you to come to class, you should either solve the conflict or cancel the course and take it in a future session.

MyCourses

I will post all the course related material on MyCourses. This includes the Power Point presentations and the outline. Nevertheless, you are in charge of downloading the papers and book chapters from McGill's library website (They are all available there). We will also use myCourses for the quizzes.

About our classroom: Leacock 212

Leacock 212 is a special classroom that has computers. For this reason, **you should not bring food or beverages to class**. The reason is that we do not want to litter, leave smells, or make spills (potentially damaging the computers). Bottled water (that is kept closed and in your backpack) should be OK. You can find further information about our classroom in the following link: <https://www.mcgill.ca/aag/files/aag/Leacock212.pdf> . If you need to eat (it is a long class), you can always do it on the hallway, preferably during the break.

oTree

oTree is the software that we will use to implement your experimental projects. To be able to use oTree, it is necessary to code in Python. If you do not code in Python, your first homework is to complete the "Learn Python" course at www.codecademy.com. If you find any other Python learning source that you prefer, you are welcome to use it.

In addition, you should also read the oTree documentation: (<http://otree.readthedocs.io/en/latest/>) .

By January 29, you should be familiarized with programming in Python and should have read oTree's documentation.

MobLab

The website that we will use to replicate the most famous experiments is www.moblab.com . I will send you an invitation to sign up.

Office hours and emails

I will always be available to help you during office hours and via email (make sure to email me to diego.pulidolema@mail.mcgill.ca, instead of diego.pulidolema@mcgill.ca - never check the later). Please use emails for simple questions for which I can give you a brief answer (yes, no, an article name, etc.). If you have a question of substance, I will be waiting for you during office hours.

Grading

Quizzes (40%)

We will make 5 quizzes. They will be about the required readings for the topic of the day. **The week before each lecture, I will confirm with you which readings are assigned for the next lecture (The reading schedule will be on myCourses).** Each quiz will take 15 minutes at the start of the class. We will use MyCourses for the quizzes, so be prepared to sign in to your account using the lab computers. Because I expect you to attend every lecture, I will pick the quiz days randomly (between January 22 and March 26). I will drop your worst quiz (this covers the possibility that you are unable to attend **once**) and give a 10% weight to each of the other four.

Paper Presentation (10%)

Each of you should make a 15 minutes presentation about a paper (three presentations each class). I will send you the list of papers and dates by Friday, January 12. You should pick the paper you want to present from the doodle survey that I will send you after I send you the list of papers. **The topics/dates for the presentations will be assigned on a first-come-first-served basis (whoever picks it first on doodle).** If you have read another

paper that you consider we should learn about in class, we could include it in our schedule (please tell me about it, at least, two weeks before we cover the topic related with the paper) You should send me a PDF of your presentation before we start the class in which you will be presenting.

Experimental Project (50%)

The aim of this project is to give you the tools to design and implement your own experiments. You will work in teams of three. I will randomly assign the team members to incentivize the interaction between graduate and undergraduate students. You will find the list of groups on MyCourses by Friday, January 12. The project(grade) will be split in the following phases(percentages):

- **Initial idea (10%):** You should come up with a research idea for your project. In the document summarizing your initial idea, you should include the following:
 - How you came up with the idea for your experiment?
 - The question/s that you would like to answer with your experiment, and/or the theoretical prediction/s you would like to test, and/or the measurement that you would like to make (or anything else that, in your opinion, makes the experiment relevant).
 - The description of your initial idea should be 1000 words or less.
 - You should think of this “initial idea” as a document that you would use to convince someone to finance your experiment (something that you almost certainly will have to do, if you plan to do experiments). When reading, I will put myself in the shoes of a granting agency that has no idea about the way economic experiments work, but is trying to allocate its resources to the best research projects.
 - **You should upload it to myCourses (and send it to my email), in PDF format, by January 29, before class.**
 - You will have a 2% penalty for every day that you are late with the document (i.e., if you upload on January 30(31), the weight on your grade goes from 10% to 8%(6%)).
 - In addition, on January 29, each group will spend 3 minutes describing their project. We will leave 2 minutes for questions and comments.
 - Each team should meet me (everyone not just an emissary) in one of the following two office hours (February 5 or 12) to give you my feedback.

- We will talk more about this assignment in class.
- **Project description document (10%):** This is a more developed version of your initial idea. It should, at least, include the following:
 - What is the economic rationale behind your project? What is the theory behind your experiment?
 - Literature review and justification of your project. You should find other papers that are close to your topic (in case they exist, but maybe you are a pioneer. But, please, **make sure** you actually are a pioneer). Has anyone answer questions that are similar to the one/s you are interested in?
 - Why is using an experiment a good/interesting/convenient idea? Has anyone attempted to answer the same question/s using non-experimental methods?
 - You should sketch your experiment and explain why/how its results would answer the question/s you want to answer.
 - The description of your project should have less than 2000 words.
 - **You should upload it to myCourses (and email it to me), in PDF format, by February 26, before class.**
 - In addition, on February 26, each group will spend 5 minutes describing their project. We will leave 5 minutes for feedback from the group.
 - You will have a 2% penalty for every day that you are late with the document.
 - Each team should meet me in one of the following two office hours (March 5 or 12) to give you my feedback.
- **Implementation of the project using oTree (10%):** You should implement your experimental project using oTree.
 - **This implementation should be ready by April 2.**
 - If the experimental design that you envisioned is very ambitious, you should, at least, implement a simplified version. If you need help, please come to my office hours and I might be able to help you.
 - You should test your experiment using as subjects the members of the team that will comment on your project during the final presentation (more details below).
 - **The test of your software should take place during the week of April 2.**
 - You are in charge of scheduling the test with the team that will be commenting on your project.

- Once you agree when the test will take place, please upload the date to myCourses and email me (with copy to the members of both teams) with the final schedule.
 - It is not required, but nothing stops you from inviting other students from the course to your test.
 - **You should send me (upload) the test schedule before April first.**
 - After the test, both, the teams implementing and commenting on a project should upload to myCourses (and email me) their impressions about the test (less than a 1000 words, on PDF). **You should upload to myCourses (and email me) your impressions before April 8.** Your impressions are part of your presentation/comment grade.
- **Final version of your project description document (5%).**
 - The document should clearly describe the aim of your project and the way you would implement it.
 - The document should have, at most, 3.000 words.
 - **You should upload it to myCourses by April 2, before class.** Do not be late because the document will be used by your commentator. 2.5% penalty for every day you are late!
- **Presentation of the experimental project (10%):** We will dedicate our last two lectures (April 9 and 16) to present your projects:
 - Everyone is expected to attend all the presentations.
 - You will have 20 minutes to present your experiment.
 - You should split the time between describing the rationale of your project and your oTree implementation (including a description of how you did with your testing).
 - **You should upload (email me) your presentation, on PDF, before class, on April 9. Please do not forget!**
 - We will assign the presentation order randomly.
- **Comment on another team's project(5%):** Each team will be assigned the project of another team to comment on. At the end of each presentation, the commenting team will have 5 minutes for their comments (no need for slides). Before the day of the presentations, you should:
 - Read the other team's project description document;

- Test the other team’s oTree implementation (as described above);
- Get in contact with the other team with any questions/comments that they might find useful.

In the event of extraordinary circumstances beyond the University’s control, the content and/or evaluation scheme in this course is subject to change.

Course Content

Below, you will find the tentative topics for the course. The idea is to dedicate one class to each topic.

1. **Introduction** January 8 and 15
2. **Risk and Time Preferences** January 22
3. **Trust, Fairness, Reciprocity, and Punishment** January 29
4. **Cooperation, Bargaining and Public Goods** February 5
5. **Altruism, Charity, and Other-Rewarding Preferences** February 12
6. **Game Theory and Coordination Games** February 19
7. **Auctions, Herd Behavior, and Market Bubbles** February 26
8. **Behavioral Economics** March 12
9. **Neuroeconomics** March 19
10. **Field Experiments and Experiments across Subject Populations** March 26

Required and optional readings

On my courses, you will find the list of required and optional readings for each topic. **You must complete the required readings before each class.** All the readings are available using the McGill Library website. If you do not know how to download papers and eBooks from the library, part of your learning outcomes will be figuring out how this is done.

Interesting Books

There is no required textbook. The following is a list of books that you may find interesting (and from which we may read some chapters). They are all available using McGill's library website. The handbooks of experimental economics (Kagel and Roth 1997, 2016) -the main reference books in experimental economics- are available in paper and are reserved for the course in the library:

- Baker, H. K. and Nofsinger, J. R. (2010). *Behavioral finance : investors, corporations, and markets*. Wiley, Hoboken, N.J. <http://mcgill.worldcat.org/oclc/671656048>. Ebook available
- Baker, H. K., Filbeck, G., and Ricciardi, V. (2017). *Financial Behavior: Players, Services, Products, and Markets*. Financial Markets and Investments. Oxford University Press, New York. <http://mcgill.worldcat.org/oclc/969549192>. Ebook available
- Bardsley, N. (2010). *Experimental Economics: Rethinking the Rules*. Princeton University Press. <http://mcgill.worldcat.org/oclc/650310480>. Ebook available
- Branas-Garza, P. and Cabrales, A. (2015). *Experimental Economics : Volume 1: Economic Decisions*
- Branas-Garza, P. and Cabrales, A. (2016). *Experimental economics. Volume II, Volume II*
- Camerer, C. (2003). *Behavioral Game Theory: Experiments in Strategic Interaction*. Princeton University Press. <http://mcgill.worldcat.org/oclc/50518630>
- Camerer, C. F., Loewenstein, G., and Rabin, M. (2011a). *Advances in behavioral economics*. Princeton University Press. <http://mcgill.worldcat.org/oclc/51752664>. Ebook available
- Caplin, A. and Schotter, A. (2008). *The foundations of positive and normative economics : a handbook*. Oxford University Press, Oxford; New York. <http://mcgill.worldcat.org/oclc/234239484> Available online
- Deck, C. A., Fatas, E., and Rosenblat, T. (2015). *Replication in experimental economics*. Emerald Group Publishing Limited. <http://mcgill.worldcat.org/oclc/927296900>. Ebook available

- Durlauf, S. N. and Blume, L. (2010). *Behavioural and experimental economics*. Palgrave Macmillan, Houndmills, Basingstoke, Hampshire; New York. <http://mcgill.worldcat.org/oclc/763150430>. Ebook available
- Frechette, G. R. and Schotter, A. (2015). *Handbook of experimental economic methodology*. Oxford University Press. <http://mcgill.worldcat.org/oclc/899211452>. Ebook available
- Friedman, D., Cassar, A., and Selten, R. (2004). *Economics lab : an intensive course in experimental economics*. Routledge, London; New York. ??
- Glimcher, P. W. and Fehr, E. (2014b). *Neuroeconomics : decision making and the brain*. Academic Press. <http://mcgill.worldcat.org/oclc/855895122>. Ebook available
- Kagel, J. H. and Roth, A. E. (1997). *The Handbook of Experimental Economics*, volume 1. Princeton University Press. <http://mcgill.worldcat.org/oclc/31412118>. Printed version available
- Kagel, J. H. and Roth, A. E. (2016). *The handbook of experimental economics*, volume 2. Princeton University Press. <http://mcgill.worldcat.org/oclc/958934900>. Printed version available
- Machina, M. J. and Viscusi, W. K. (2014). *Handbook of the economics of risk and uncertainty*. <http://mcgill.worldcat.org/oclc/868167871>
- Plott, C. and Smith, V. L. (2008). *Handbook of Experimental Economics Results*, volume 1. North-Holland. <http://mcgill.worldcat.org/oclc/228572865>. Ebook available

Popular books

- Thaler, R. H. (1992). *The winner's curse : paradoxes and anomalies of economic life*

McGill Policy Statements

- McGill University values academic integrity. Therefore, all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the Code of Student Conduct and Disciplinary Procedures¹

¹see www.mcgill.ca/students/srr/honest/ for more information.

- In accord with McGill University’s Charter of Students’ Rights, students in this course have the right to submit in English or in French any written work that is to be graded.
- If you have a disability please contact the instructor to arrange a time to discuss your situation. It would be helpful if you contact the Office for Students with Disabilities at 698-6009 before you do this.
- According the Senate regulations, instructors are not permitted to make special arrangements for final exams. Please consult the Calendar, section 4.7.2.1, General University Information and Regulations at www.mcgill.ca.
- Additional policies governing academic issues which affect students can be found in the McGill Charter of Students’ Rights²

Readings List

Here, you will find the required and optional readings for each topic of our course. Among the optional readings, you will find the ones available for your presentations.

In front of every topic, you will find the **tentative** date for the topic. The topic could take place after (if we take more time on a topic or miss a class for any reason), but never before.

1. Introduction (January 15)

Required readings:

- Charness, G. and Fehr, E. (2015). From the lab to the real world. *Science*, 350(6260):512–513
- Croson, R. T. A. (2010). *public goods experiments*, In Durlauf, S. N. and Blume, L., editors, *Behavioural and experimental economics*. Palgrave Macmillan, Houndmills, Basingstoke, Hampshire; New York. <http://mcgill.worldcat.org/oclc/763150430>. Ebook available
- List, J. A. (2008). Homo experimentalis Evolves. *Science*, 321(5886):207–208
- Smith, V. L. (2010). *experimental economics*, In Durlauf, S. N. and Blume, L. E., editors, *Behavioural and Experimental Economics*, pages 75–98. Palgrave Macmillan UK, London

²<https://www.mcgill.ca/secretariat/files/secretariat/charter-of-students-rights.pdf>

Suggested readings (in case you are especially interested in this topic):

- None

2. Risk and Time Preferences (January 22)

Required readings:

- Holt, C. A. and Laury, S. K. (2014). *Chapter 4 - Assessment and Estimation of Risk Preferences*, In Mark, M. and Kip, V., editors, *Handbook of the Economics of Risk and Uncertainty*, volume Volume 1, pages 135–201. North-Holland
- Andreoni, J., Kuhn, M. A., and Sprenger, C. (2015). Measuring time preferences: A comparison of experimental methods. *Journal of Economic Behavior & Organization*, 116(Supplement C):451–464

Suggested readings (in case you are especially interested in this topic):

- Andersen, S., Harrison, G. W., Lau, M. I., and Rutström, E. E. (2008). Eliciting Risk and Time Preferences. *Econometrica*, 76(3):583–618
- **FOR PRESENTATION** Andreoni, J. and Sprenger, C. (2012). Risk Preferences Are Not Time Preferences. *The American Economic Review*, 102(7):3357–3376. Copyright - Copyright American Economic Association Dec 2012 CODEN - AENRAA
- Charness, G., Gneezy, U., and Imas, A. (2013). Experimental methods: Eliciting risk preferences. *Journal of Economic Behavior & Organization*, 87(0):43–51
- **FOR PRESENTATION** Dohmen, T., Armin, F., Golsteyn, B., Huffman, D., and Sunde, U. (2015a). Risk Attitudes Across the Life Course. *Netspar Discussion Paper*, (No. 11/2015-057)
- **FOR PRESENTATION** Dohmen, T., Enke, B., Falk, A., Huffman, D., and Sunde, U. (2015b). Patience and the Wealth of Nations. *Not yet published*
- Hey, J. D. (2014). *Chapter 14 - Choice Under Uncertainty: Empirical Methods and Experimental Results*, In Mark, M. and Kip, V., editors, *Handbook of the Economics of Risk and Uncertainty*, volume 1, pages 809–850. North-Holland. <http://mcgill.worldcat.org/oclc/868167871>
- **FOR PRESENTATION** Holt, C. A. and Laury, S. K. (2002). Risk Aversion and Incentive Effects. *The American Economic Review*, 92(5):1644–1655

3. Trust, Fairness, Reciprocity, and Punishment (January 29)

Required readings:

- Bohnet, I. (2008). *Trust in Experiments*, In Durlauf, S. N. and Blume, L. E., editors, *The New Palgrave Dictionary of Economics*
- Johnson, N. D. and Mislin, A. A. (2011). Trust games: A meta-analysis. *Journal of Economic Psychology*, 32(5):865–889

Suggested readings (in case you are especially interested in this topic):

- Bohnet, I. and Zeckhauser, R. (2004). Social Comparisons in Ultimatum Bargaining. *Scandinavian Journal of Economics*, 106(3):495–510
- Camerer, C. F., Loewenstein, G., and Rabin, M. (2011b). *Dictator, Ultimatum, and Trust Games*, In *Advances in behavioral economics*. Princeton University Press. <http://mcgill.worldcat.org/oclc/51752664>. Ebook available
- **FOR PRESENTATION** Dohmen, T., Falk, A., Huffman, D., and Sunde, U. (2011). The Intergenerational Transmission of Risk and Trust Attitudes. *The Review of Economic Studies*
- Fehr, E. and Gächter, S. (2000). Cooperation and punishment in public goods experiments. *The American Economic Review*, 90(4):980–994
- Fehr, E. and Schmidt, K. M. (2006). *Chapter 8 The Economics of Fairness, Reciprocity and Altruism - Experimental Evidence and New Theories*, In Serge-Christophe, K. and Jean Mercier, Y., editors, *Handbook of the Economics of Giving, Altruism and Reciprocity*, volume Volume 1, pages 615–691. Elsevier
- Glaeser, E. L., Laibson, D. I., Scheinkman, J. A., and Soutter, C. L. (2000). Measuring Trust*. *The Quarterly Journal of Economics*, 115(3):811–846
- **FOR PRESENTATION** Houser, D. and Wooders, J. (2006). Reputation in Auctions: Theory, and Evidence from eBay. *Journal of Economics & Management Strategy*, 15(2):353–369
- **FOR PRESENTATION** Kosfeld, M., Heinrichs, M., Zak, P. J., Fischbacher, U., and Fehr, E. (2005). Oxytocin increases trust in humans. *Nature*, 435(7042):673–676. 10.1038/nature03701
- Johnson, N. D. and Mislin, A. A. (2011). Trust games: A meta-analysis. *Journal of Economic Psychology*, 32(5):865–889
- Mas-Colell, A., Whinston, M. D., and Green, J. R. (1995). *Chapter 6: Choice Under Uncertainty*, In *Microeconomic theory*. Oxford University Press, New York
- Nave, G., Camerer, C., and McCullough, M. (2015). Does Oxytocin Increase Trust in Humans? A Critical Review of Research. *Perspectives on Psychological Science*, 10(6):772–789

- **FOR PRESENTATION** Sapienza, P., Toldra-Simats, A., and Zingales, L. (2013). Understanding Trust. *The Economic Journal*, 123(573):1313–1332
- Kosfeld, M., Heinrichs, M., Zak, P. J., Fischbacher, U., and Fehr, E. (2005). Oxytocin increases trust in humans. *Nature*, 435(7042):673–676. 10.1038/nature03701

4. Cooperation, Bargaining and Public Goods (February 5)

Required readings:

- Croson, R. and Gächter, S. (2010). The science of experimental economics. *Journal of Economic Behavior & Organization*, 73(1):122–131
- Lacomba, J. A. and Lopes-Perez, R. (2015). *Cooperation*, In Branas-Garza, P. and Cabrales, A., editors, *Experimental Economics : Volume 1: Economic Decisions*

Suggested readings (in case you are especially interested in this topic):

- Chaudhuri, A. (2011). Sustaining cooperation in laboratory public goods experiments: a selective survey of the literature. *Experimental Economics*, 14(1):47–83
- Andreoni, J. (1995). Warm-Glow versus Cold-Prickle: The Effects of Positive and Negative Framing on Cooperation in Experiments*. *The Quarterly Journal of Economics*, 110(1):1–21. 10.2307/2118508
- **FOR PRESENTATION** Charness, G. and Villeval, M.-C. (2009). Cooperation and Competition in Intergenerational Experiments in the Field and the Laboratory. *American Economic Review*, 99(3):956–78
- Fischbacher, U., Gächter, S., and Fehr, E. (2001). Are people conditionally cooperative? Evidence from a public goods experiment. *Economics Letters*, 71(3):397–404
- **FOR PRESENTATION** Fischbacher, U., Gächter, S., and Fehr, E. (2010). Social Preferences, Beliefs, and the Dynamics of Free Riding in Public Goods Experiments. *The American Economic Review*, 100(1):541–556
- Guth, W. and Kocher, M. G. (2014). More than thirty years of ultimatum bargaining experiments: Motives, variations, and a survey of the recent literature. *Journal of Economic Behavior & Organization*, 108(Supplement C):396–409
- **FOR PRESENTATION** Hoffman, E., McCabe, K., and Smith, V. L. (1996). Social Distance and Other-Regarding Behavior in Dictator Games. *The American Economic Review*, 86(3):653–660
- **FOR PRESENTATION** Houser, D. and Kurzban, R. (2002). Revisiting Kindness and Confusion in Public Goods Experiments. *The American Economic Review*, 92(4):1062–1069

- McCabe, K., Houser, D., Ryan, L., Smith, V., and Trouard, T. (2001). A functional imaging study of cooperation in two-person reciprocal exchange. *Proceedings of the National Academy of Sciences*, 98(20):11832–11835

5. Altruism, Charity, and Other-Rewarding Preferences (February 12)

Required readings:

- Andreoni, J., Harbaugh, W. T., and Vesterlund, L. (2010). *altruism in experiments*, In Durlauf, S. N. and Blume, L. E., editors, *Behavioural and Experimental Economics*, pages 6–13. Palgrave Macmillan UK, London
- List, J. (2007). On the Interpretation of Giving in Dictator Games. *Journal of Political Economy*, 115(3):482–493

Suggested readings (in case you are especially interested in this topic):

- Andreoni, J. and Miller, J. (2002). Giving According to GARP: An Experimental Test of the Consistency of Preferences for Altruism. *Econometrica*, 70(2):737–753
- **FOR PRESENTATION** Brock, J. M., Lange, A., and Ozbay, E. Y. (2013). Dictating the Risk: Experimental Evidence on Giving in Risky Environments. *American Economic Review*, 103(1):415–37
- Cardenas, J. C. and Carpenter, J. (2008). Behavioural Development Economics: Lessons from Field Labs in the Developing World. *The Journal of Development Studies*, 44(3):311–338
- Eckel, C. C. and Grossman, P. J. (1996). Altruism in Anonymous Dictator Games. *Games and Economic Behavior*, 16(2):181–191
- **FOR PRESENTATION** Fehr, E. and Gächter, S. (2002). Altruistic punishment in humans. *Nature*, 415(6868):137–140. 10.1038/415137a
- Fehr, E. and Schmidt, K. M. (2006). *Chapter 8 The Economics of Fairness, Reciprocity and Altruism - Experimental Evidence and New Theories*, In Serge-Christophe, K. and Jean Mercier, Y., editors, *Handbook of the Economics of Giving, Altruism and Reciprocity*, volume Volume 1, pages 615–691. Elsevier
- **FOR PRESENTATION** Harbaugh, W. T. and Krause, K. (2000). Children’s altruism in public good and dictator experiments. *Economic Inquiry*, 38(1):95–109
- Meier, S. (2006). A survey of economic theories and field evidence on pro-social behavior

- Simon, H. A. (1992). Altruism and Economics. *Eastern Economic Journal*, 18(1):73–83
- **FOR PRESENTATION** Smeets, P., Bauer, R., and Gneezy, U. (2015). Giving Behavior of millionaires
- Vesterlund, L. (2016). *Chapter 2: Using Experimental Methods to Understand Why and How We give to Charity*, volume 2 of *The handbook of experimental economics*. Princeton University Press. <http://mcgill.worldcat.org/oclc/958934900>. Printed version available

6. Game Theory and Coordination Games (February 19)

Required readings:

- Camerer, C. F. (2010). *behavioural game theory*, In Durlauf, S. N. and Blume, L. E., editors, *Behavioural and Experimental Economics*, pages 42–50. Palgrave Macmillan UK, London
- Houser, D. and McCabe, K. (2014). *Chapter 2 - Experimental Economics and Experimental Game Theory*, In Glimcher, P., Camerer, C., Fehr, E., and Poldrack, R. A., editors, *Neuroeconomics (Second Edition)*, pages 19–34. Academic Press, San Diego

Suggested readings (in case you are especially interested in this topic):

- **FOR PRESENTATION** Bohnet, I. and Zeckhauser, R. (2004). Social Comparisons in Ultimatum Bargaining. *Scandinavian Journal of Economics*, 106(3):495–510
- Camerer, C. (2003). *Behavioral Game Theory: Experiments in Strategic Interaction*. Princeton University Press. <http://mcgill.worldcat.org/oclc/50518630>
- Forsythe, R., Horowitz, J. L., Savin, N. E., and Sefton, M. (1994). Fairness in Simple Bargaining Experiments. *Games and Economic Behavior*, 6(3):347–369
- Guth, W. and Kocher, M. G. (2014). More than thirty years of ultimatum bargaining experiments: Motives, variations, and a survey of the recent literature. *Journal of Economic Behavior & Organization*, 108(Supplement C):396–409
- Guth, W., Schmittberger, R., and Schwarze, B. (1982). An experimental analysis of ultimatum bargaining. *Journal of Economic Behavior & Organization*, 3(4):367–388

- **FOR PRESENTATION** Hoffman, E., McCabe, K., and Smith, V. L. (1996). Social Distance and Other-Regarding Behavior in Dictator Games. *The American Economic Review*, 86(3):653–660
- **FOR PRESENTATION** Kocher, M. G. and Sutter, M. (2005). The Decision Maker Matters: Individual Versus Group Behaviour in Experimental Beauty-Contest Games*. *The Economic Journal*, 115(500):200–223
- **FOR PRESENTATION** van Damme, E., Binmore, K. G., Roth, A. E., Samuelson, L., Winter, E., Bolton, G. E., Ockenfels, A., Dufwenberg, M., Kirchsteiger, G., Gneezy, U., Kocher, M. G., Sutter, M., Sanfey, A. G., Kliemt, H., Selten, R., Nagel, R., and Azar, O. H. (2014). How Werner Gth’s ultimatum game shaped our understanding of social behavior. *Journal of Economic Behavior & Organization*, 108(Supplement C):292–318

7. Auctions, Herd Behavior, and Market Bubbles (February 26)

Required readings:

- Palan, S. (2013). A Review of Bubbles and Crashes in Experimental Asset Markets. *Journal of Economic Surveys*, 27(3):570–588
- Porter, D. and Smith, V. L. (2008). *Chapter 30 Price Bubbles*, In Plott, C. R. and Smith, V. L., editors, *Handbook of Experimental Economics Results*, volume 1, pages 247–255. Elsevier
- Friedman, D. (2008). *laboratory Financial Markets*, In Blume, L. E. and Durlauf, S. N., editors, *The New Palgrave Dictionary of Economics*

Suggested readings (in case you are especially interested in this topic):

- **FOR PRESENTATION** Bossaerts, P., Ghirardato, P., Guarnaschelli, S., and Zame, W. R. (2010). Ambiguity in Asset Markets: Theory and Experiment. *The Review of Financial Studies*, 23(4):1325–1359. 10.1093/rfs/hhp106
- Bossaerts, P. and Plott, C. (2004). Basic Principles of Asset Pricing Theory: Evidence from Large-Scale Experimental Financial Markets. *Review of Finance*, 8(2):135–169
- Dechenaux, E., Kovenock, D., and Sheremeta, R. M. (2015). A survey of experimental research on contests, all-pay auctions and tournaments. *Experimental Economics*, 18(4):609–669

- **FOR PRESENTATION** Kagel, J. H. and Levin, D. (2001). Behavior in Multi-Unit Demand Auctions: Experiments with Uniform Price and Dynamic Vickrey Auctions. *Econometrica*, 69(2):413–454
- **FOR PRESENTATION** Knutson, B. and Bossaerts, P. (2007). Neural Antecedents of Financial Decisions. *The Journal of Neuroscience*, 27(31):8174–8177
- Noussair, C. N. and Tucker, S. (2013). EXPERIMENTAL RESEARCH ON ASSET PRICING. *Journal of Economic Surveys*, 27(3):554–569. <http://mcgill.worldcat.org/oclc/6900011783>. Article available online
- Powell, O. and Shestakova, N. (2016). Experimental asset markets: A survey of recent developments. *Journal of Behavioral and Experimental Finance*, 12:14–22
- Scherbina, A. and Schlusche, B. (2014). Asset price bubbles: a survey. *Quantitative Finance*, 14(4):589–604

8. **Behavioral Economics** (March 12) *Required readings:*

- DellaVigna, S. (2009). Psychology and Economics: Evidence from the Field. *Journal of Economic Literature*, 47(2):315–372
- Thaler, R. H. (2017). From Cashews to Nudges: The Evolution of Behavioral Economics. <https://youtu.be/ej6cygeB2X0>

Suggested readings (in case you are especially interested in this topic):

- Camerer, C. F. (2010). *behavioural game theory*, In Durlauf, S. N. and Blume, L. E., editors, *Behavioural and Experimental Economics*, pages 42–50. Palgrave Macmillan UK, London
- **FOR PRESENTATION** Kahneman, D., Knetsch, J. L., and Thaler, R. H. (1991). Anomalies: The Endowment Effect, Loss Aversion, and Status Quo Bias. *The Journal of Economic Perspectives*, 5(1):193–206
- **FOR PRESENTATION** Nobel (2002). *Foundations of Behavioral and Experimental Economics: Daniel Kahneman and Vernon Smith*
- Thaler, R. H. (1999). Mental accounting matters. *Journal of Behavioral Decision Making*, 12(3):183. Copyright - Copyright (C) 1999 John Wiley & Sons, Ltd. SubjectsTermNotLitGenreText - United States; US
- **FOR PRESENTATION** Thaler, R. H. and Benartzi, S. (2004). Save More Tomorrow: Using Behavioral Economics to Increase Employee Saving. *Journal of Political Economy*, 112(S1):S164–S187

- Thaler, R. and Sunstein, C. (2008). *Nudge: Improving Decisions about Health, Wealth, and Happiness*
- Thaler, R. (2015). *Misbehaving: The Making of Behavioral Economics*

9. Neuroeconomics (March 19)

Required readings:

- Glimcher, P. W. and Fehr, E. (2014a). *Introduction: A Brief History of Neuroeconomics*, In *Neuroeconomics (Second Edition)*, pages xvii–xxviii. Academic Press, San Diego

Suggested readings (in case you are especially interested in this topic):

- **FOR PRESENTATION** Crockett, M. J. and Fehr, E. (2014). *Chapter 14 - Pharmacology of Economic and Social Decision Making*, In *Neuroeconomics (Second Edition)*, pages 259–279. Academic Press, San Diego
- Fehr, E. and Krajbich, I. (2014). *Chapter 11 - Social Preferences and the Brain*, In *Neuroeconomics (Second Edition)*, pages 193–218. Academic Press, San Diego
- Frydman, C. and Camerer, C. F. (2016). The Psychology and Neuroscience of Financial Decision Making. *Trends in Cognitive Sciences*, 20(9):661–675
- Lempert, K. M. and Phelps, E. A. (2014). *Chapter 12 - Neuroeconomics of Emotion and Decision Making A2 - Glimcher, Paul W*, In Fehr, E., editor, *Neuroeconomics (Second Edition)*, pages 219–236. Academic Press, San Diego
- **FOR PRESENTATION** Nave, G., Camerer, C., and McCullough, M. (2015). Does Oxytocin Increase Trust in Humans? A Critical Review of Research. *Perspectives on Psychological Science*, 10(6):772–789
- **FOR PRESENTATION** Lee, D. and Dorris, M. C. (2014). *Chapter 26 - Brain Circuitry for Social Decision Making in Non-Human Primates A2 - Glimcher, Paul W*, In Fehr, E., editor, *Neuroeconomics (Second Edition)*, pages 493–511. Academic Press, San Diego

10. Field Experiments and Experiments Across Subject Populations (March 26)

Required readings:

- List, J. A. (2011). Why Economists Should Conduct Field Experiments and 14 Tips for Pulling One Off. *The Journal of Economic Perspectives*, 25(3):3–15. This work draws on the legacy of Vernon V Smith,

- **Please photocopy from the library soon! (We only have one copy of the book)** Frechette, G. R. (2016). *Chapter 7: Experimental Economics across Subject Populations*, In Kagel, J. H. and Roth, A. E., editors, *The handbook of experimental economics*, volume 2. Princeton University Press. <http://mcgill.worldcat.org/oclc/958934900>. Printed version available

Suggested readings (in case you are especially interested in this topic):

- Baird, S., Hicks, J. H., Kremer, M., and Miguel, E. (2016). Worms at Work: Long-run Impacts of a Child Health Investment. *The Quarterly Journal of Economics*, 131(4):1637–1680
- **FOR PRESENTATION** Banerjee, A., Duflo, E., Glennerster, R., and Kinnan, C. (2015). The Miracle of Microfinance? Evidence from a Randomized Evaluation. *American Economic Journal: Applied Economics*, 7(1):22–53
- Cardenas, J. C. and Carpenter, J. (2008). Behavioural Development Economics: Lessons from Field Labs in the Developing World. *The Journal of Development Studies*, 44(3):311–338
- **FOR PRESENTATION** Croson, R. and Gneezy, U. (2009). Gender Differences in Preferences. *Journal of Economic Literature*, 47(2):448–74
- Federal Reserve Bank of, R. (2012). Interview with John A. List
- Haushofer, J., Collins, M., De Giusti, G., Njoroge, J. M., Odero, A., Onyango, C., Vancel, J., Jang, C., Kuruvilla, M. V., and Hughes, C. (2014). A Methodology for Laboratory Experiments in Developing Countries: Examples from the Busara Center. *Available at SSRN 2155217*
- **FOR PRESENTATION** Henrich, J., Boyd, R., Bowles, S., Camerer, C., Fehr, E., Gintis, H., McElreath, R., Alvard, M., Barr, A., Ensminger, J., Henrich, N. S., Hill, K., Gil-White, F., Gurven, M., Marlowe, F. W., Patton, J. Q., and Tracer, D. (2005). Economic man in cross-cultural perspective: Behavioral experiments in 15 small-scale societies. *Behavioral and Brain Sciences*, 28(6):795–815
- List, J. A. and Metcalfe, R. (2014). Field experiments in the developed world: an introduction. *Oxford Review of Economic Policy*, 30(4):585–596
- Miguel, E. and Kremer, M. (2004). Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities. *Econometrica*, 72(1):159–217
- Viceisza, A. C. (2012). Treating the Field as a Lab