

**COURSE DATA****Data Subject**

Code	36527
Name	Behavioural Economics
Cycle	Grade
ECTS Credits	6.0
Academic year	2023 - 2024

Study (s)

Degree	Center	Acad. year	Period
1332 - Degree in Business Intelligence and Analytics	Faculty of Economics	2	First term

Subject-matter

Degree	Subject-matter	Character
1332 - Degree in Business Intelligence and Analytics	23 - Economía del Comportamiento	Obligatory

Coordination

Name	Department
HERNANDEZ ROJAS, PENELOPE	10 - Economic Analysis

SUMMARY

This course introduces two methodologies to model the strategic behavior of economic agents. On the one hand, the tools of Game Theory will be used to obtain theoretical predictions from an optimization perspective. On the other, the foundations of behavioral economics will be used to model behavior from a perspective of social and individual assumptions.

Furthermore, applications of great importance in real life such as strategic collusion, negotiation, auctions, bankruptcy, and reputation systems are studied.



PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

Other requirements

No enrolment restrictions have been specified with other subjects of the curriculum.

1332 - Degree in Business Intelligence and Analytics

- Students must have acquired knowledge and understanding in a specific field of study, on the basis of general secondary education and at a level that includes mainly knowledge drawn from advanced textbooks, but also some cutting-edge knowledge in their field of study.
- Students must be able to apply their knowledge to their work or vocation in a professional manner and have acquired the competences required for the preparation and defence of arguments and for problem solving in their field of study.
- Students must have developed the learning skills needed to undertake further study with a high degree of autonomy.
- Demonstrate skills for analysis and synthesis.
- Be able to analyse and search for information from diverse sources.
- Be able to define, solve and present complex problems systemically.
- Know the principles of behavioural theory.
- Demonstrate critical thinking about classic models and models of behaviour.

Model economic situations with formal language with or without strategic interaction. Recognize strategic conflicts and know how to use basic strategic principles.

Contrast formal theory with models obtained from the observation of economic agents. Develop the ability to solve problems in complex contexts due to their strategic nature and the ability to argue from rational and strategic criteria.

Know how to design and implement a research project and its application to the economic environment.

Know the theoretical bases and the practical application of Analysis.

Synthesize information.

Know the concept and understand the structure of the markets. Understand the effects on the functioning and results of the markets and the influence of public spheres of the existence of private information on motivation and productivity, as well as possible strategies, both public and private.



DESCRIPTION OF CONTENTS

1. Collusion: Nash equilibrium, repeated games, coordination, Cournot, Bertrand, Carter.

2. Strategic negotiation: Subgame perfect equilibria, principle of external option, Model of alternate offers.

3. Efficient punishment and uncertainty : equilibrium in mixed strategies, Maxmin, Minmax, zero sum games.

4. Bayesian perfect equilibrium, adverse selection: the used car market. Reputation, signaling, guarantees, advertising.

WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Computer classroom practice	30,00	100
Development of individual work	15,00	0
Study and independent work	25,00	0
Readings supplementary material	20,00	0
Preparation of evaluation activities	15,00	0
Resolution of case studies	15,00	0
TOTAL	150,00	

TEACHING METHODOLOGY

The development of the subject is structured fundamentally around the theoretical sessions and the practical sessions. Depending on the type of session (theoretical or practical) a specific didactic method will be chosen.

In the theoretical sessions, the professor will highlight the fundamental aspects of each topic and guide the study through the basic and complementary bibliography, which must inexcusably be used to complete and deepen the subject. The predominant teaching method in the theoretical classes will be the participatory master class. Gamification will be applied in the classroom to review the concepts learned during the sessions.



In the practical sessions, theoretical-practical and analytical exercises will be solved. In addition, experimental and behavioral research works will be proposed to be carried out in groups. In these works, the students will be provided with data obtained in an experiment in the LINEEX laboratory and will have to propose an original research question to solve, propose and substantiate starting hypotheses, analyze the data provided and obtain results that answer the research question. investigation. Finally, there will be a mock exam to be solved in a group.

EVALUATION

Evaluation will be based on consideration of the following aspects, in this order of relevance:

- A written exam completed at the end of the course which will consist of theoretical and practical questions, and questions about a text.
- An evaluation of the practical activities carried out by the student during the course, from the preparation of papers to oral presentations and problem solving.
- Continuous assessment of the student, based on their participation and involvement in the teaching-learning process

In the subject, the total evaluation is broken down as follows: 30% of the overall mark corresponds to the evaluation of the different activities developed throughout the course and active participation of the student and 70% of the overall mark corresponds to the final exam.

The final exam is mandatory and must be passed in order to pass the subject. The subject will be considered passed if the student obtains 5 points out of 10, for which he/she can combine continuous assessment and the final exam mark. In the event of opting not to complete the tasks related to continuous assessment, the student can only obtain the points of the final exam (7 maximum), and would need to get a 5 out of 7 in that exam to pass the subject.

In the event of not passing the final exam, the mark that will be recorded will be determined from the weighted sum of the scores obtained in continuous assessment and the final exam, without exceeding 4.5 (failed).

In the first call, if the continuous assessment tasks are not carried out, the student will only be able to obtain the points of the final test (7 maximum), and would need to obtain a 5 out of 7 in said exam to pass the subject. In the event that the final exam does not exceed 3.5 points and the subject cannot be passed, the final grade that will be put in the minutes will be formed by adding the points of the final exam with those of the continuous assessment up to a maximum of 4.5 points, being the qualification of suspense.

It is considered that 50% of the continuous evaluation is non-recoverable (carrying out group work and active participation in the classroom).

This implies that in the second call, the student has two options:

- (i) waiving the continuous assessment mark (indicating it in the exam) and the final exam will be graded on a maximum of 8.5 points (being necessary to obtain 5 points to pass the course); either



(ii) maintain the note of the continuous evaluation and the final exam will be graded out of a maximum of 7 points.

Link to the University Assessment Regulation:

https://www.uv.es/graus/normatives/2017_108_Reglament_avaluacio_qualificacio.pdf.

For the 2023-2024 academic year, it is planned that the teaching of this subject will be face-to-face, both in theory and in practice, therefore, following the provisions of this Teaching Guide. However, if the health situation changes, it will be informed in due course of the modifications that will be made at the time for the adaptation of teaching to the new scenario.

REFERENCES

Basic

- OLCINA, G., CALABUIG, V. y RODRÍGUEZ, I., Introducción a la Teoría de Juegos y la Conducta Estratégica. 2ª Ed. Madrid. Pearson 2013.
- Pablo Brañas, coordinador. Economía experimental y del comportamiento Antoni Bosch Editor. 2011.

Additional

- DIXIT, A. y SKEATH, S., Games of Strategy. Norton. 2004
- GARDNER, R., Juegos para empresarios y economistas. Antoni Bosch Editor. 1999.