

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

<b>Code</b>	44950
<b>Name</b>	Experimental Economics
<b>Cycle</b>	Master's degree
<b>ECTS Credits</b>	5.0
<b>Academic year</b>	2023 - 2024

**Study (s)**

<b>Degree</b>	<b>Center</b>	<b>Acad. year</b>	<b>Period</b>
2242 - M.D. in Economics	Faculty of Economics	1	First term

**Subject-matter**

<b>Degree</b>	<b>Subject-matter</b>	<b>Character</b>
2242 - M.D. in Economics	7 - Experimental economics	Optional

**Coordination**

<b>Name</b>	<b>Department</b>
CABALLERO SANZ, FRANCISCO	10 - Economic Analysis
ROCHINA BARRACHINA, MARIA ENGRACIA	132 - Economic Structure

**SUMMARY**

Experimental Economics has been defined as “the art of generating empirical evidence” and has developed as a source of data for economists during the last decades. Nowadays, it is considered a legitimate tool for modelling in microeconomics and game theory in order to study different phenomena in asset markets, industrial organization, environmental economics, and many other institutions and fields.

The purpose of this course is to take the students through the process of conducting economic experiments by learning the basic tools and methods.

Since most experimental economists learned the method by doing, it is also interesting to have a look at the main literature in experiments conducted in different fields. At the end of the course, the student will be able to design and conduct his/her own experiment, collecting and analyzing the data in order to report the main results.



## PREVIOUS KNOWLEDGE

### Relationship to other subjects of the same degree

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

### Other requirements

Students are expected to have passed an intermediate-level course in micro-economics (including basic game theory), basic econometrics and statistics.

## OUTCOMES

### 2242 - M.D. in Economics

- Students should apply acquired knowledge to solve problems in unfamiliar contexts within their field of study, including multidisciplinary scenarios.
- Students should communicate conclusions and underlying knowledge clearly and unambiguously to both specialized and non-specialized audiences.
- Students should demonstrate self-directed learning skills for continued academic growth.
- Students should possess and understand foundational knowledge that enables original thinking and research in the field.
- Develop a critical capacity, show a research concern and interest in the field of economy, specialise in the use of bibliographical materials, in the use of economic databases and econometric, mathematical and statistical software. Also, learn to adequately disseminate research findings through scientific articles and presentations in congresses.
- Acquire linguistic and technological skills: ability to use English in the scientific field of economics and to use ICT in the field of economic study and research.
- Communicate orally and in writing using an inclusive and egalitarian language.
- Design experimental environments to analyse the behaviour of economic agents when obtaining real data is very complex.

## LEARNING OUTCOMES

To know the advantages, criticisms and limits of the Experimental Economics.

To know the basic principles of Game Theory.

To know the methodology on which the Experimental Economy is based.

To know the practice of implementing the designed experiments.



To know the practice of experimental design.

To design projects with a project structure, oriented towards the short term, with marked guidelines.

## DESCRIPTION OF CONTENTS

### 1. Experimental Economics

1. Introduction to the Experimental Method in Economics
2. Field Experiments
3. Market experiments
4. Bargaining
5. Public Goods
6. Auctions
7. Experiments and Agent based simulations

## WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	40,00	100
Classroom practices	10,00	100
Study and independent work	75,00	0
<b>TOTAL</b>	<b>125,00</b>	

## TEACHING METHODOLOGY

Besides theoretical lectures, there will be a practical part in order to get familiar with the experimental method by participating in some experiments, analyzing some experimental data.

## EVALUATION

The learning assessment comprises the following activities:

- Problem sets, project and presentation: They represent 50% of the final grade.
- Final exam: It represents 50% of the final grade.

The final course grade will be the sum of the grades on all activities. A final grade of at least 5 points is required to pass the course.



## REFERENCES

### Basic

- Cassar A. and Friedman, D. (2004) *Economics Lab: An Intensive Course in Experimental Economics*, Routledge.
- Branas-Garza, P. and Cabrales, A. (Eds), (2016) *Experimental Economics*, Vol. I: Economic Decisions, Palgrave Macmillan.
- Branas-Garza, P. and Cabrales, A. (Eds), (2016) *Experimental Economics*, Vol. II: Economic Applications, Palgrave Macmillan.

### Additional

- Davis, D. and Holt, C. (1993) *Experimental Economics*, Princeton University Press.
- Friedman, D. and Sunder, S. (1994) *Experimental Methods: A Primer for Economist*, Cambridge University Press.
- Kagel, J. and Roth, A., (1995) *The Handbook of Experimental Economics*, Princeton University Press.
- Holt, C.H. (2007) *Markets, Games, & Strategic Behavior*, Addison Wesley, pp. 3-19.
- Colasante, A. (2017) Selection of the distributional rule as an alternative tool to foster cooperation in a Public Good Game. *Physica A: Statistical Mechanics and its Applications*, 468, pp. 482-492.
- Colasante A (2017) *Experimental Economics for ABM Validation*. Chapter 7 - *Experimental Economics for ABM Validation*, Editor(s): Mauro Gallegati, Antonio Palestrini, Alberto Russo, Introduction to Agent-Based Economics, Academic Press, pp. 143-162.