UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

# COURSE SYLLABUS

# Behavioural Economics

**2526-3-E3303M019-E3303M021M**

## Learning objectives

Every day, individuals and institutions make economic decisions: how much to spend, how much to save, which job to choose, and which public policies to support. Understanding how and why people make these decisions is essential for explaining real-world behavior, designing effective interventions, and developing more realistic economic theories.

Behavioral economics emerges from the intersection of economics and psychology and challenges the idea that individuals are always rational, informed, and consistent. This course introduces the fundamental concepts of behavioral economics. We will study the cognitive limitations of individuals, the contexts that influence decision-making, and the – often unexpected – consequences of these choices at both the individual and collective level, drawing on classic experiments and practical applications in economic policy and business.

## Contents

The course covers the core topics of behavioral economics. It begins with the study of individual decision-making—choices under uncertainty and intertemporal decisions—then moves on to preferences, including social preferences, norms, and identity, and concludes with strategic behavior. Each topic is explored on three levels: theoretical foundations, empirical and experimental evidence, and practical applications.

## Detailed program

L1 Introduction to the course – Economics, choices, and the homo oeconomicus
Bounded rationality and attention
L2 Heuristics and cognitive biases (anchoring, availability, representativeness)

L3–L4 Risk and prospect theory
L5–L6 Time inconsistency and self-control
L7 Social preferences: fairness, reciprocity, and altruism
L8 Games and strategies: disequilibrium and strategic types
L9 Choice architecture and nudging
L10 Neuroeconomics
L11–L12 Applications: saving, health, and public policy
L13–L16 Student project presentations

## Prerequisites

Microeconomics

## Teaching methods

The course runs for 48 hours, 16 lectures of three hours each. All lectures are held in person.

- 6 taught lectures (DE)
- 7 lectures partly made of interactive activities and partly taught (DI/DE)
- 3 interactive labs

## Assessment methods

• OPTION 1 (recommended)
In-class project presentation (50%) + Written exam (50%)

• OPTION 2
Written exam (50%) + Oral presentation of a project (50%)

## Textbooks and Reading Materials

E. Cartwright, Behavioral Economics (2ª ed.)
Lecture slides and notes (elearning platform)
Exercises (elearning platform)

## Semester

First semester

## Teaching language

English

## Sustainable Development Goals

NO POVERTY | ZERO HUNGER | DECENT WORK AND ECONOMIC GROWTH | INDUSTRY, INNOVATION AND INFRASTRUCTURE | REDUCED INEQUALITIES | SUSTAINABLE CITIES AND COMMUNITIES | RESPONSIBLE CONSUMPTION AND PRODUCTION | CLIMATE ACTION | PEACE, JUSTICE AND STRONG INSTITUTIONS