Economics 89, Winter 2016: Honors Section for 11-1
Irrationality & Behavioral Economics

Instructor
William Zame
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Class Meetings
Tuesdays, 5:15-6:30PM
Bunche 9383 (tentative location)
First meeting: Tuesday 1/13/2015
The first meeting will be an economic experiment.

Registration
To register, contact Dr. Ed McDevitt mcdevitt@econ.ucla.edu

Prerequisites
Concurrent Enrollment in Econ 11-1

Requirements
Class attendance/participation
Oral presentation based on individual reading/research
No exam

Grading
Course grading is based entirely on participation and oral presentation.
Grading for Econ 89 is entirely independent of performance/grading in Econ 11.

Required Readings (available on Amazon)
Daniel Kahneman, Thinking: Fast and Slow
Dan Ariely, Predictably Irrational
What is the course about?

Most of economics assumes that economic agents are rational – that they maximize something. But both evidence and our own experience tell us that we – and others – are not always rational, that we make mistakes, that we act from intuition and not from thoughtful calculation. One of the results is that we make random errors – but we also make systematic errors, stemming from what Daniel Kahneman calls the “biases of intuition” and what Dan Ariely calls “predictable irrationality”. We will try to understand – to at least a small extent – where these biases/irrationalities come from and what they imply. As you will see when you look at these books, the “analysis” is almost entirely informal – there is no math at all.

The class will meet once a week for (about) 1 hour or 1 hour 15 minutes. For the first few meetings, I will assign some specific advance reading and give a small lecture (or conduct a small experiment), after which there will be an open class discussion. After the first few meetings there will be a break. When we resume, students will make (Power Point) presentations and lead discussions on topics of their own choosing. (I will be happy to make suggestions, guide reading and assist with the presentation.)

This is an opportunity for interested students to have the experience of discussion and presentation in small seminar about an important and relevant topic.

This class has no particular prerequisites beyond concurrent enrollment in Econ 11-1. Grading for this class will be entirely on the basis of classroom participation and the presentation. Grading for this class will be entirely separate from grading for Econ 11-1.

In the past, students have found the Honors Section to be fun and stimulating, and the quality of participation and presentations has been uniformly very good; every student who completed the class has received a grade of at least A-. (One student had to drop out because of illness.) One of the students has gone on to write a Senior Thesis with me based on the work from the Honors Section.

If you are interested, please email me at zame@econ.ucla.edu; include your name and your student ID number. (I will take care of the formal enrollment.)

The first meeting will be Tuesday 1/13, 5:15-6:30PM in Bunche 9383. (The location is tentative and subject to change.)