Experimental Economics

Nanyang Technological University

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I. Course Description:

Experimental Economics is one of the fastest growing fields in economics today. Experimental work has been conducted in almost all fields of economics including Industrial Organization, Game Theory, Public Finance, and even Macroeconomics. This course is designed for advanced undergraduate students who want to learn how to design and run economic experiments and will discuss its applications to specific topics, such as social preferences, labor market, intertemporal choice and decision making under uncertainty.

II. Method of Instruction:

Lecture: 2 hours per week.
Tutorial: 2 hours per week. Students will present assigned papers and group project during tutorials.

III. Recommended readings:

1. Market, Games, and Strategic Behavior by Charles A. Holt.
2. Research Methods Design and Analysis by Larry B. Christensen, R. Burke Johnson and Lisa A. Turner.

   Chapters from the above textbooks are compiled into 1 customized textbook titled Experimental Economics, ISBN: 9789814598101.

3. Experimental Methods: A Primer for Economist (Daniel Friedman and Shyam Sunder, 1994)

IV. Grading:

Participation and Homework Assignment: 10%
Assigned Paper Presentation: 10%
Group Project Presentation and Term Paper: 20%
Final exam: 60%
VI. Group Project Guidelines:

The group project can be: 1) original research proposal or 2) literature review on a specific topic. I suggest you discuss your research topic with me at least once before the recess week.

A recommended outline for original proposal:
1. Research topic
2. What are the hypotheses you want to test?
3. Experimental Design
4. Expected Outcomes

For literature review proposal, you can refer to articles in the Journal of Economic Literature.

V. Tentative Schedule

Week 1: Introduction
Week 2: Social Preference I
Week 3: Social Preference II
Week 4: Experimental Labor Market I
Week 5: Experimental Labor Market II
Week 6: Experimental Methods I: How to Design an Experiment
Week 7: Recess Week
Week 8: Experimental Methods II: How to Conduct an Experiment
Week 9: Experimental Methods II: How to Conduct an Experiment
Week 10: Risk Preference
Week 11: Time Preference
Week 12: Field Experiment and/or Behavioral Finance
Week 13: Revision