ECON 635
Experimental Economics
Syllabus - Fall 2015

Course Description and Objectives: This course will be an introduction to the methodology of experimental economics and its application to specific topics, such as decision making under uncertainty, auctions and public goods. In addition to learning about laboratory and field experiments, this course will also provide an introduction to the behavioral economics. An effort will be made to concentrate on series of experiments, in order to see how experiments build on one another and allow researchers with different theoretical dispositions to narrow the range of potential disagreement.

By the end of the semester, students will be able to:
- Explain the major issues involved in design and interpretation of economic experiments
- Demonstrate knowledge of how experimental economics has contributed to the economics literature in specific areas
- Explain the differences between behavioral economics and the traditional methods of analysis
- Write and present a literature review relevant to a specific experiment

The course will include reading and discussion of the economics literature on experiments. Students will be guided through the design, conduct, and analysis of experiments. Students will also be given detailed guidance on how to perform and present a literature review as part of a research project.

Instructors’ Contact Information and Class Logistics:
Office: Tydings 4101B
Email: ozbay@umd.edu
Phone: 301-405-3184
Office Hours: TH 12:00-1:00pm

Class Lectures: Tuesdays and Thursdays, 2:00 – 3:15pm KEY 0124

Class Labs: some lecture periods will be spent conducting experiments in the Economics Department’s facilities located in Tydings 4104.

Course Website: If you are registered for this course, you should use your directory ID and password to access www.elms.umd.edu. Copies of this syllabus, your grades, and other relevant documents will be made available through the course website.

Email: The University has adopted email as the primary means of communication outside the classroom, and I will use it to inform you of important announcements. Students are responsible for updating their current email address via http://www.testudo.umd.edu/apps/saddr/
Failure to check email, errors in forwarding email, and returned email due to “mailbox full” or “user unknown” will not excuse a student from missing announcements or deadlines.

You are encouraged to contact me by email, and I will do my best to respond within 24 hours. PLEASE include ECON635 in the subject line, so that I can quickly distinguish your message from spam or other less important matters. PLEASE also include your name and any previous messages we’ve exchanged within every message you send to me.

**Expectations of Students:**
You must participate in class discussions and in the lab experiments in order to succeed in the class. You are expected to read assigned journal articles and other materials (see list and schedule below) before we discuss them in class. If you find that you can’t follow the class discussions or understand the readings we have covered, please visit my office hours or make an appointment. If you anticipate or experience any problem fulfilling the requirements of the course, you must inform me as soon as possible to maximize the possibility that I can help you. Contacting me about such problems at the end of the term when your grade is lower than what you would like is definitely too late.

I look forward to receiving your feedback on the course at the end of the semester, so please use the University’s on-line course evaluation system at https://www.coursesevalum.umd.edu/ during the last two weeks of the semester.

Please contribute to a positive learning environment. We can make the most of this opportunity if you are willing to work at it. Students are expected to treat each other and me with courtesy and respect. Disruptive behavior will be referred to the Office of Student Conduct or the Campus Police.

**Academic Integrity**
The University of Maryland, College Park has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. This Code sets standards applicable to all undergraduate students, and you are responsible for upholding these standards as you complete assignments and take exams in this course. Please make yourself aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For more information see www.studenthonor council.umd.edu

**Students with Disabilities:**
I will make every effort to accommodate students who are registered with the Disability Support Services (DSS) Office and who provide me with a University of Maryland DSS Accommodation form.

**Grades and Assignments:**
Your job during the semester is to read the assigned papers for each class period in detail, noting your questions and criticisms for the purpose of class discussion. Moreover, you must write a literature review as background research for an experiment. You will be asked to present your review in the class.
**In-class Participation:**
40% of your grade in this class will be based on how prepared you are for class and the extent to which you participate in class discussions—that is, the quality of your questions, answers, commentary, and criticisms in the classroom. Short class responses to key questions will be collected in nearly every class meeting, as they will give you opportunities to practice explaining the major points developed in the readings.

**Proposal:**
30% of your grade will be based on a proposal. Students will be expected to write a 10-15 page research proposal for an experiment. The proposal should have:

i) Research question  
ii) Motivation  
iii) Related literature  
iv) Experimental design  
v) Hypotheses

**Student Presentations:**
During the last two weeks of the classes, all students will be expected to make a presentation that will constitute 30% of the overall grade. In the presentations, you are required to present the details of your literature review. If there is more than one student working on the same topic, they can make a joint presentation. If you miss your presentation with an excuse that complies with University policy, you may take a make-up exam. The four valid excuses according to University policy are medical conditions, religious observances, participation in University events at the request of University authorities, and compelling circumstances beyond your control. If you believe you need a make-up, please inform me as far in advance as possible by email. University policy requires that you provide appropriate documentation before you can be considered eligible for a make-up exam. If you miss your presentation and cannot document a valid excuse, your grade will be recorded as a zero.

*Department of Economics’ policy on grading requires instructors to use the grading system announced at the beginning of the semester in all cases and with no exceptions. There will be no opportunities for extra credit after the semester ends.*
Course Readings

As mentioned above, we will spend class time discussing selections from the economics literature on experiments. I will update this list based on the topics you are interested.

Incentives:

Behavioral Preferences, Eliciting Valuations

Individual Rationality: Guessing Games

• **Multiple Equilibria**

• **Public Goods**
Strategic Interactions and Learning


Punishment


Bargaining games, Fairness


**Trust Game, Best Shot Game**


**Auctions:**


• Peter Cramton, Emel Filiz Ozbay, Erkut Ozbay and Pacharasut Sujarittanonta. “Discrete Clock Auctions: An Experimental Study”.

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Behavioral Economics:

• Filiz Ozbay, Emel, and Erkut Ozbay. “Social Image in Public Goods Provision with Real Effort.”

Suggested Textbooks


