The standard economic model assumes that people are rational and selfish. However, it has been shown in lab and field experiments that people systematically deviate from the selfishness assumption. People have fairness concerns, are envious, are willing to reward kind actions and punish unkind actions and trust in others even in one shot interactions in which no material benefit can be obtained from these actions.

These behavioral patterns have important implications for economic outcomes. They affect the optimal design of institutions, in particular when externalities are existent, change bargaining outcomes we might expect to occur on markets, and may question traditional thoughts about optimal incentive systems in firms.

In this seminar we will discuss results from laboratory and field experiments as well as several theoretical models that take social preferences into account. We will talk about implications for political actors as well as companies, for instance on whether and how optimal incentive systems should take social preferences into account.

<table>
<thead>
<tr>
<th>Studiengang: Program:</th>
<th>BSc</th>
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<tbody>
<tr>
<td>Termin Vorbesprechung (tt.mm.jjjj): Date of preliminary meeting (dd.mm.yyyy):</td>
<td>05.02.2020 10.00-11.30</td>
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<tr>
<td>*Bearbeitungszeitraum für die Hausarbeit: Working period for term paper:</td>
<td>February 17 until March 16 March 23 until April 20</td>
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<td>*Seminartermin: Seminar date:</td>
<td>April 29 - 30</td>
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<td>LMU</td>
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<td>falls außerhalb: Kostenschätzung: if out of Munich: estimated costs:</td>
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<td>Sprache: Language:</td>
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<td>Empfohlene Vorkenntnisse: Recommended courses:</td>
<td>Micro I, Experimental/Empirical Economics, Game Theory</td>
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<td>Methodischer Schwerpunkt: Methodological background:</td>
<td>Behavioral and experimental economics</td>
</tr>
<tr>
<td>*Grundlagenliteratur: Basic references:</td>
<td>to be announced in first meeting</td>
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<tr>
<td>*Kontakt: Contact:</td>
<td>Simeon Schudy and Maria Karmeliuk</td>
</tr>
</tbody>
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* Optional (falls schon bekannt) / optionally (if already known)