Organizational Remarks: The course is decomposed into two parts. The first part of the course will be held as a lecture and will provide the foundations needed for the second part of the course. In these lectures, several key concepts and models of Behavioral Economics will be introduced and the relevance of these models is discussed. The second part of the course will be held as a seminar. Each student has to present a recent theoretical or empirical paper in Behavioral Economics and has to write referee reports discussing other papers of your selection.

Description, Aims & Scopes: Behavioral Economics emerged out of a number of empirical and experimental puzzles that are difficult to explain with the standard economic paradigm, the “Homo Oeconomicus”. Why do default decisions matter even if transaction costs are low? Why do people borrow on credit cards and, at the same time, hold substantial illiquid wealth? Why do people engage in charitable giving? Behavioral Economics is the attempt to shed light on these and other puzzles by enriching standard theory with psychological realism, i.e., creating models about behavior that bring more accurate predictions.

The aim of the course is to make students familiar with the most important workhorse models in Behavioral Economics. At the end of the course, students should be able to apply these workhorse models to particular economic problems, e.g., moral hazard, savings for retirement, etc. This course has a strong focus on formal theoretical models. However, we will occasionally survey experimental and empirical evidence.

The first part of the course will be in the lecture format. In the second part of the course, students have to present and discuss recent papers in the field of Behavioral Economics. These papers typically will be applications of the learned behavioral models to applied fields of economics, for instance, applications to Industrial Organization, Contract Theory, Finance, and Labor. These papers also include new routes of Behavioral Economics, like theories of salience, attention, and memory.

Grading: Term paper (50%); Paper presentation and discussion (50%)

Prerequisites: The course is addressed to master’s and doctoral students. Students taking this seminar should have a profound knowledge of Microeconomic Theory and Game Theory.

* See the preliminary syllabus posted on LSF course page for more detail.
**Bearbeitungszeitraum für die Hausarbeit:**
*Working period for term paper:*
| 4 weeks |

**Seminartermin:**
*Seminar date:*
| June 25-26, 2020 |
| (Depending on the number of participants, we may have seminar also on June 27, 2020) |

**Veranstaltungsort:**
*Venue:*
| in Munich (location to be announced on LSF) |

**falls außerhalb: Kostenschätzung:**
*if out of Munich: estimated costs:*
| € |

**Sprache:**
*Language:*
| English |

**Empfohlene Vorkenntnisse:**
*Recommended courses:*
| Microeconomics; Game theory |

**Methodischer Schwerpunkt:**
*Methodological background:*
| Microeconomic theory; Game theory |

**Grundlagenliteratur:**
*Basic references:*

**Kontakt:**
*Contact:*
| Taisuke Imai, Ph.D. |
| taisuke.imai@econ.lmu.de |

* Optional (falls schon bekannt) / optionally (if already known)