University of Gdańsk

Subject card

Subject name and code	Behavioural economics. Psychology of decision making, PG_00083924		
Field of study	International Business		
Date of commencement of studies	October 2024	Academic year of realisation of subject	2025/2026
Education level	Master's studies	Subject group	
Mode of study	full-time studies	Mode of delivery	at the university
Year of study	2	Language of instruction	Polish
Semester of study	4	ECTS credits	5.0
Learning profile	academic	Assessment form	credit
Conducting unit			
Name and surname of lecturer (lecturers)	Subject supervisor	prof. dr hab. Jacek Zaucha	
	Teachers		

Lesson types	Lesson type	Lecture	Tutorial	Laboratory	Project	Seminar	SUM
	Number of study hours	30.0	0.0	0.0	0.0	0.0	30
	E-learning hours included: 0.0						

Learning activity and number of study hours	Learning activity	Participation in didactic classes included in study plan	Participation in consultation hours	Self-study	SUM
	Number of study hours	30	0.0	0.0	30

Subject objectives	The student has become familiar with and is able to practically use theoretical models and research results of behavioral economics for professional purposes.

Learning outcomes

Course outcome	Subject outcome	Method of verification
[IBMU2_W08] knows selected areas of the functioning of a modern enterprise in the international environment; understands the conditions, principles and consequences of decisions taken in modern enterprise's structures dealing on the international market	Thanks to the knowledge of behavioral economics, the student knows selected areas of functioning of a modern enterprise, understands the conditions, principles and consequences of decisions made in the structures of modern enterprises	[SW1] oral statement/ conversation/discussion [SW2] presentation/project/paper/ report

Subject contents	Course description: **Module 1: Rational decision making** • Decision making under conditions of risk and uncertainty, • Decision tree • Expected value, • Expected utility, • Petersburg paradox, • Case studies on practical use of the expected value. **Module 2: Induction to the behavioural economics** • Von Neuman and Morgenstern theory, • Bounded rationality , • Preferences and economic motives of people, • Role of leading motives, • Reduced rationality of human economic choices, • Reduced rationality or different levels of rationality? • Behavioural economics in relation to the main stream economics. **Module 3: System 1 and System 2** • How do we take decisions, • Automatic decisions and intuition, • Effort required to take conscious decisions, depletion effect, • Priming effect, • Cognitive ease, • Looking for explanations- coherent stories and norms, • Halo effect, • WYSIATI, • Question substituting **Module 4: Heuristics and fallacies** • Affect heuristic, • Small numbers fallacy, • Avalibility heurictic , • Anchoring, • Representativeness heuristic, • Regression fallacy, • Framing, • Overconfidence and loss aversion: - Illusion of validity, - Planning fallacy, - Pervasive optimistic bias, • Sunk costs fallacy. **Module 5: Prospect theory** • A neutral reference point, - adaptation level , • A principle of diminishing sensitivity in the evaluation of changes of wealth, • Loss aversion versus risk seeking, • Bad versus good choices, • Certainty and possibility effect, • Non-linear weighting of probabilities: for instance Prelecs function, • Endowment effect . **Module 6: Altruism** • Reciprocal altruism, • Altruism versus cooperation, • Devotion as a part of altruistic behaviours, • Altruism as investment, • Genders and altruistic approach. **Module 7: Experiments and praxis** • Designing a behavioural experiment, • Discussing and finetuning the experiment concept, • Conducting the experiment, • Presentation of the research outcomes of the students experiments and discussing them, • Workshop on behavioural public finance - discussion on the outcomes of the students experiments.

	The experiments preparation will be discussed with students also during office hours
Prerequisites and co-requisites	
Assessment methods and criteria	see table below

Subject passing criteria	Passing threshold	Percentage of the final grade
Takin part in the workshops (level of engagement)	51.0%	80.0%
Behavioural experiment	51.0%	20.0%

Recommended reading		
	Basic literature	Basic literature • DAN ARIELY, Predictably Irrational. Harper Collins Publishers 2008 • DANIEL KAHNEMAN, Thinking fast and slow. Macmillan 2001
	Supplementary literature	Supplementary literature DAN ARIELY, The upside of irrationality, Harper Collins Publishers, 2010
	eResources addresses	

Example issues/ example questions/ tasks being completed	Come up with a practical example how you will use in day to day economic relations (put your self in the hat of manager of a big supermarket, CEO of a big company or Head of marketing agency or as a prime minister of your government) the knowledge on: Ego-depletion, Priming effect, Cognitive ease Inclination to make coherent stories (a bias to believe) Hallo effect WYSIATI Question substituting If you need to discuss your ideas, I invite you to my office hours
Work placement	Not applicable