

S. No	Course Code	Course Name	Course Type	Cd	L	T	P	Marks		
								Sessional	Final Exam	Total
3	UGMDC- 202(B)	Introduction to Behavioral Economics	MDC	3	3	0	0	40	60	100

Course Outcomes:

At the end of the course the student will be able to: -	
CO1	Examine the concept and scope of Behavioral Economics
CO2	Apply Prospect Theory to analyze decision-making under risk and uncertainty.
CO3	Identify common biases that affect decision-making.
CO4	Design effective public policies that nudge desired behaviors through behavioral science principles
CO5	Analyze how behavioral interventions can promote healthy choices and improve well-being.

Detailed Syllabus

Section A

Unit I: Introduction to Behavioral Economics: Definition and Scope of Behavioral Economics, Historical Background and Key Developments, Methodological Approach – Origins of Behavioral Economics – Neo-Classical and Behavioral Approaches to Studying Economics, Differences between Traditional Economics and Behavioral Economics

(08Hrs)

Unit II: Rationality and Utility Theory: Traditional Utility Theory, Decision Making Under Risk and Uncertainty: Prospect Theory Reference Points - Risk Concept and Understanding – Loss Aversion – Shape of Utility Function – Decision Weighting – Probabilistic Judgment, Behavioral Model of Decision-Making-Regret Theory, Rank-dependent utility.

(08Hrs)

Unit III: Beliefs, Heuristics and Biases: The Standard Model: Probability Estimation - Self-Evaluation Bias – Projection Bias - Causes of Irrationality - Behavioral Law and Economics – Selection Among Multiple Strict Equilibria Via Structure, Framing, Fairness, Complexity - Revealed Preference - Belief - Game Theory

(08Hrs)

Section B

Unit IV: Behavioral insights for Public Policy: Role of government in shaping behavior, Designing good institutions: the tragedy of the commons, matching markets, behavioral economics and institution design, Behavioral insights for public policy, Ethical considerations in behavioral public policy.

(06Hrs)

Unit V: Behavioral Development Economics and Economics of Happiness: Behavioral determinants of health and healthcare: Information asymmetry, Behavioral interventions for promoting healthy behaviors, Health and happiness.

(06Hrs)

Textbooks:

S. No.	Name of the Books	Author	Publisher	Edition (Pub. Yr.)
1	"Behavioral Economics: Toward a New Economics by Integration with Traditional Economics"	Masao Ogaki and Saori C. Tanaka	Springer	1 st (2017)
2	"Behavioral Economics: The 112Basics"	Philip Corr and Anke Plagnol	Routledge	1 st (2018)

Reference Books:

S. No.	Name of the Books	Author	Publisher	Edition(Pub .Yr.)
1.	"Behavioral Economics and Its Applications"	Peter Diamond and Hannu Vartiainen	Princeton University Press	1 st (2007)