

Course Code	Course Name	Course Type	Cd	L	T	P	Marks		
							Internal	Final Exam	Total
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 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.

(08 Hrs)

Unit II: Rationality and Utility Theory: Traditional Utility Theory, Decision Making Under Risk and Uncertainty: respect 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.

(08 Hrs)

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.

(08 Hrs)**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, nudge and behavior change, Fairness and Distributional Effects, Ethical considerations in behavioral public policy.

(06 Hrs)

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.

(06 Hrs)**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, Saori C. Tanaka, and Toshiaki Watanabe	Springer	1st(2021)
2	Behavioral Economics: The Basics	Philip Corr and Anke Plagnol	Routledge	1st(2022)

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	2nd(2019)