

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 Behavioural 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 behaviours through behavioural science principles.
CO5	Analyze how behavioural interventions can promote healthy choices and improve well-being.

Detailed Syllabus**Section A**

Unit I: Introduction to Behavioural Economics: Definition and Scope of Behavioural Economics, Historical Background and Key Developments, Methodological Approach - Origins of Behavioural Economics-Neo-Classical and Behavioural Approaches to Studying Economics, Differences between Traditional Economics and Behavioural 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, Behavioural 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 - Behavioural Law and Economics – Selection Among Multiple Strict Equilibria Via Structure, Framing, Fairness, Complexity - Revealed Preference - Belief - Game Theory.

(08 Hrs)**Section B**

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

(06 Hrs)

Unit V: Behavioural Development Economics and Economics of Happiness: Behavioural determinants of health and healthcare: Information asymmetry, Behavioural interventions for promoting healthy behaviours, 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	1 st (2021)
2.	Behavioral Economics: The Basics	Philip Corr and Anke Plagnol	Routledge	1 st (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	2 nd (2019)