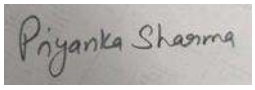
Department of Commerce

Details of Lesson Plan

S.No.	Particulars	Details
1.	Course Name	Introduction to Behavioural Economics
2.	Course Code	UGMDC - 202 B
3.	Academic Year	2024-25
4.	Semester	2nd
5.	Number of Lesson plans	36
6.	Faculty Assigned	Dr. Priyanka Sharma



Priyanka Sharma
Faculty Signature

Lesson Plan No. 1.0	Course Name: Management Accounting Topic: Introduction – to the Course	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Define behavioral economics and differentiate it from traditional economics. b. Understand the scope and relevance of behavioral economics in various domains. c. Appreciate the importance of studying behavioral economics in the 21st century
Teaching Aids (if any)	a. ICT b. White board c. https://www.youtube.com/watch?v=FHAhaUMmNlU
Teaching Development	1. **Introduction** (5 minutes) - Start with a quick, interactive activity. For example: - Ask students to share a recent purchase decision they made and why they made that choice. - Present a common economic puzzle or paradox and ask for initial reactions. - This activity should highlight the complexity of human decision-making and pique their interest in the subject. - 2. **Development** (30 minutes) a. Introduce behavioral economics as a field that combines insights from psychology and economics to understand how people actually make decisions. Contrast it with traditional economics, which often assumes perfect rationality. Define key terms: bounded rationality, cognitive biases, heuristics, framing effects. Briefly explain the scope of behavioral economics – how it applies to various fields like finance, marketing, policy, health, etc. b. Why Study Behavioral Economics? Emphasize the relevance of behavioral economics in understanding real-world phenomena: Market bubbles and crashes Consumer behavior and marketing strategies Public policy design and effectiveness Health choices and well-being Highlight the limitations of traditional economic models in explaining these phenomena. Underscore the growing importance of behavioral economics in the 21st century. c. Course Overview and Learning Outcomes: Briefly introduce the course syllabus, highlighting the key topics to be covered (as outlined in your provided syllabus). Explain how each unit contributes to the overall learning outcomes (COs).

	Emphasize the practical applications of the course content. 3. **Exercise** (5 minutes) – - Gauge student engagement and interest through class participation. - Observe their initial understanding of the core concepts Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: https://www.exploring-economics.org/en/orientation/behavioral-economics/ 3. Homework Ask students to find a news article or advertisement that illustrates a behavioral economics concept (e.g., loss aversion, framing). They can bring it to the next class for discussion. Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. 2. Quiz on Accounting Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 1.1	Course Name: Management Accounting Topic: Introduction to Behavioral Economics- Definition	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Define behavioral economics and differentiate it from traditional economics. b. Identify and explain key concepts in behavioral economics, including bounded rationality, cognitive biases, heuristics, framing effects, and social norms. c. Analyze how these concepts influence real-world decision-making. d. Apply behavioral economics principles to understand and potentially improve choices in various contexts
Teaching Aids (if any)	a. PPT b. White board
Teaching Development	1. **Introduction** (5 minutes) - Begin with a brief overview of traditional economic theories (e.g., neo-classical economics) and their assumptions about rational decision-making. - Introduce behavioral economics as a field that combines psychology and economics to understand how people make decisions, often deviating from rationality 2. **Development** (30 minutes) a. Definition of Behavioral Economics Present a clear definition: Discuss the importance of understanding these deviations in real-world contexts. b. Key Principles of Behavioral Economics Bounded Rationality: Explain how individuals have cognitive limitations that affect their decision-making processes. Cognitive Biases: Introduce common biases such as: Loss Aversion: The tendency to prefer avoiding losses over acquiring equivalent gains Framing Effects: How the presentation of information influences choices . Social Influences: Discuss how social norms and peer pressure can affect economic decisions. c. Applications of Behavioral Economics Highlight real-world applications: Public policy (nudges to promote better health or financial decisions). Marketing strategies (using psychological insights to influence consumer behavior). Provide examples such as the Swachh Bharat Mission in India, which applied behavioral insights for public cleanliness initiatives 3. **Exercise** (5 minutes) –**:** Open the floor for questions and encourage students to discuss how behavioral economics might apply to their own experiences or current events. Consider asking students to think about a recent decision they made that

	may have been influenced by cognitive biases. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: https://study.com/academy/lesson/behavioral-economics-definition-applications.html 3. Homework: Revise the concept Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions At the end of the lesson, students will be asked to write a short reflection on how understanding behavioral economics might change their perspective on economic decision-making. Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 1.2	Course Name: Management Accounting Topic: Introduction to Behavioral Economics- scope	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Identify the broad scope of behavioral economics and its applications across various domains. b. Explain how behavioral economics provides insights into real-world phenomena that traditional economics struggles to address. c. Analyze case studies illustrating the application of behavioral economics. d. Critically evaluate the potential benefits and challenges of using behavioral economics in different contexts
Teaching Aids (if any)	a. PPT b. White board
Teaching Development	1. **Introduction** (5 minutes) - Briefly recap the definition of behavioral economics and its core principles (bounded rationality, cognitive biases, etc.). - Ask students to share any examples they've encountered of seemingly "irrational" behavior in everyday life. 2. **Development** (30 minutes) a. Exploring the Scope: Introduce the broad scope of behavioral economics. Explain how it goes beyond traditional economic models by considering psychological and social factors. Highlight key areas where behavioral economics has made significant contributions: Consumer Behavior: Marketing, pricing, purchasing decisions. Finance: Investment decisions, market bubbles, risk aversion. Public Policy: Nudging, behavioral interventions, tax compliance. Health: Health choices, medication adherence, preventative care. Environmental Conservation: Sustainable behavior, resource management. Organizational Behavior: Motivation, productivity, ethical decision-making. Provide brief examples within each area. 3. **Exercise** (5 minutes) –**:** Facilitate a class discussion: What are the potential benefits of applying behavioral economics in different areas? What are the ethical considerations or potential drawbacks? (e.g., manipulation, unintended consequences). How can behavioral economics be used to create positive change? Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading:

	https://study.com/academy/lesson/behavioral-economics-definition-applications.html 3. Homework: Students choose one area where behavioral economics is applied (e.g., consumer behavior, finance, health) and find a real-world example of its use. They write a short paragraph explaining the example, the behavioral principles involved, and its impact. Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions Students write a short reflection on the following question: "How has this lesson changed your understanding of how people make decisions?" Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 1.3	Course Name: Management Accounting Topic: Historical Background and Key Developments	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Trace the historical development of economic thought, from classical economics to the emergence of behavioral economics b. Identify key figures and their contributions to the field of behavioral economics. c. Understand the major shifts in perspective that led to the development of behavioral economics.
Teaching Aids (if any)	a. PPT b. White board
Teaching Development	1. **Introduction** (5 minutes) - Begin with a brief icebreaker or discussion about a common economic decision people make (e.g., buying a product on sale, investing in the stock market). - Ask students to share their thoughts on why they made that particular decision. - Briefly introduce the concept of behavioral economics and how it differs from traditional economics.. 2. **Development** (30 minutes) a. Historical Roots: - Briefly discuss early influences on behavioral economics, such as the work of Adam Smith on moral sentiments and the recognition of psychological factors in economic behavior. - Highlight the limitations of the purely rational actor model in explaining real-world economic decisions. - Introduce the concept of "homo economicus" and its critique. b. Key Developments and Figures: - Focus on the mid-20th century emergence of behavioral economics as a distinct field. Discuss the contributions of key figures: - Herbert Simon: Bounded rationality, satisficing. - Daniel Kahneman and Amos Tversky: Prospect theory, cognitive biases (loss aversion, framing effects). - Richard Thaler: Nudges, mental accounting, behavioral finance. - Briefly explain the significance of their work and how it challenged traditional economic assumptions. c. Major Influences: Discuss the influences that shaped the development of behavioral economics: Cognitive Psychology: The study of mental processes, such as perception, memory, and decision-making. Social Psychology: The study of how people interact with each other and how social factors influence behavior.

	Experimental Economics: The use of experiments to test economic theories and observe behavior in controlled settings. 3. **Exercise** (5 minutes) –**:** Ask students to reflect on how behavioral economics has changed our understanding of economic decision-making Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: https://study.com/academy/lesson/behavioral-economics-definition-applications.html 3. Homework: Find real-world examples of economic decisions that seem to contradict the assumptions of traditional economic rationality. Explain how behavioral economics concepts might explain these behaviors. Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions Students write a short reflection on the following question: "How has this lesson changed your understanding of how people make decisions?" Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 1.4	Course Name: Management Accounting Topic: Methodological Approach - Origins of Behavioural Economics	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. describe the scientific method and its application in behavioral economics. b. understand the different research methods used in behavioral economics (experiments, surveys, field studies, etc.). c. Compare and contrast the methodologies of behavioral economics and traditional economics.
Teaching Aids (if any)	a. PPT b. White board
Teaching Development	1. **Introduction** (5 minutes) - Begin with a brief review of the distinction between behavioral economics and traditional economics. - Ask students to brainstorm about how we can study economic decision-making empirically. What kinds of tools or methods might we use? 2. **Development** (30 minutes) **a. The Scientific Method and Behavioral Economics:** Briefly review the steps of the scientific method (observation, hypothesis formation, testing, analysis, conclusion). Explain how the scientific method is applied in behavioral economics research. Emphasize the importance of empirical evidence in testing behavioral hypotheses. **b. Research Methods in Behavioral Economics:** Experiments: Discuss the use of controlled experiments to study economic behavior. Explain the concept of control groups, treatment groups, and random assignment. Provide examples of classic behavioral economics experiments (e.g., the Ultimatum Game, the Prisoner's Dilemma). Surveys: Explain how surveys are used to gather data on attitudes, beliefs, and preferences related to economic decisions. Discuss the advantages and limitations of survey research. Field Studies: Discuss the use of field studies to observe economic behavior in real-world settings. Provide examples of field experiments and natural experiments. Neuroeconomics: Briefly introduce neuroeconomics and its use of brain imaging techniques (fMRI, EEG) to study the neural basis of economic decision-making. Comparison with Traditional Economics: Contrast the methodologies used in behavioral economics (often experimental) with the more theoretical and deductive approaches often used in traditional economics. **The Role of Experiments:**

	Emphasize the critical role of experiments in the development of behavioral economics. Discuss how experiments have challenged traditional economic assumptions and led to new insights about human behavior. 3. **Exercise** (5 minutes) – Ask students to reflect on the strengths and weaknesses of different research methods. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: https://study.com/academy/lesson/behavioral-economics-definition-applications.html 3. Homework: Find a published research article in behavioral economics that uses experiments. Briefly describe the experiment, its methodology, and its main findings Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions Students write a short reflection on the following question: " What are the strengths and weaknesses of different research methods." Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 1.5	Course Name: Management Accounting Topic: Neo-Classical and Behavioral Approaches to Studying Economics	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Describe the key assumptions and principles of neoclassical economics. understand the different research methods used in behavioral economics (experiments, surveys, field studies, etc.). b. Explain the behavioral approach to studying economics and how it differs from the neoclassical approach. c. Compare and contrast the two approaches in terms of their assumptions, methodologies, and focus
Teaching Aids (if any)	a. PPT b. White board
Teaching Development	1. **Introduction** (5 minutes) - Start with a quick review of the basic economic problem of scarcity and choice. - Ask students: How do economists typically model human decision-making? What assumptions do they make? 2. **Development** (30 minutes) a. Neoclassical Economics: - Explain the core assumptions of neoclassical economics: - Rationality: Individuals are perfectly rational and make decisions to maximize their utility. - Self-interest: Individuals are primarily motivated by their own self-interest. - Maximization: Individuals seek to maximize their utility or profits. - Perfect Information: Individuals have access to all relevant information needed to make informed decisions. - Discuss how these assumptions are used to build economic models and make predictions about behavior. - Briefly touch upon key concepts like supply and demand, market equilibrium, and consumer choice theory. b. Behavioral Economics: - Explain how behavioral economics challenges the assumptions of neoclassical economics. - Introduce the concept of bounded rationality and its implications for decision-making. - Discuss key behavioral concepts and how they affect economic choices: - Cognitive biases (loss aversion, framing effects, etc.) - Emotions and their influence on decisions - Social influences (norms, conformity) - Explain how behavioral economics uses insights from psychology to develop more realistic models of economic behavior. c. Comparison and Contrast:

	- Use a table or chart to visually compare and contrast the two approaches across different dimensions: - Assumptions about human behavior - Methodology (theoretical vs. empirical) - Focus (market outcomes vs. psychological processes) - Strengths and weaknesses Discuss the limitations of each approach and when each might be more applicable. 3. **Exercise** (5 minutes) – Ask students to reflect on the strengths and weaknesses of different research methods. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: https://www.econlib.org/library/Enc1/NeoclassicalEconomics.html#:~:text=1.,utility%20and%20firms%20maximize%20profits. 3. Homework: List and explain the core assumptions of neoclassical economics. Provide examples of how these assumptions are used in economic models. Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions Ask students to reflect on the implications of each approach for understanding real-world economic phenomena. Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 1.5	Course Name: Management Accounting Topic: Neo-Classical and Behavioral Approaches to Studying Economics	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Describe the key assumptions and principles of neoclassical economics. understand the different research methods used in behavioral economics (experiments, surveys, field studies, etc.). b. Explain the behavioral approach to studying economics and how it differs from the neoclassical approach. c. Compare and contrast the two approaches in terms of their assumptions, methodologies, and focus
Teaching Aids (if any)	a. PPT b. White board
Teaching Development	1. **Introduction** (5 minutes) - Start with a quick review of the basic economic problem of scarcity and choice. - Ask students: How do economists typically model human decision-making? What assumptions do they make? 2. **Development** (30 minutes) a. Neoclassical Economics: - Explain the core assumptions of neoclassical economics: - Rationality: Individuals are perfectly rational and make decisions to maximize their utility. - Self-interest: Individuals are primarily motivated by their own self-interest. - Maximization: Individuals seek to maximize their utility or profits. - Perfect Information: Individuals have access to all relevant information needed to make informed decisions. - Discuss how these assumptions are used to build economic models and make predictions about behavior. - Briefly touch upon key concepts like supply and demand, market equilibrium, and consumer choice theory. b. Behavioral Economics: - Explain how behavioral economics challenges the assumptions of neoclassical economics. - Introduce the concept of bounded rationality and its implications for decision-making. - Discuss key behavioral concepts and how they affect economic choices: - Cognitive biases (loss aversion, framing effects, etc.) - Emotions and their influence on decisions - Social influences (norms, conformity) - Explain how behavioral economics uses insights from psychology to develop more realistic models of economic behavior. c. Comparison and Contrast:

	- Use a table or chart to visually compare and contrast the two approaches across different dimensions: - Assumptions about human behavior - Methodology (theoretical vs. empirical) - Focus (market outcomes vs. psychological processes) - Strengths and weaknesses Discuss the limitations of each approach and when each might be more applicable. 3. **Exercise** (5 minutes) – Ask students to reflect on the strengths and weaknesses of different research methods. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: https://www.econlib.org/library/Enc1/NeoclassicalEconomics.html#:~:text=1.,utility%20and%20firms%20maximize%20profits. 3. Homework: List and explain the core assumptions of neoclassical economics. Provide examples of how these assumptions are used in economic models. Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions Ask students to reflect on the implications of each approach for understanding real-world economic phenomena. Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 1.6	Course Name: Management Accounting Topic: Differences between Traditional Economics and Behavioural Economics.	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Identify the core assumptions of traditional (neoclassical) economics. b. Evaluate the strengths and weaknesses of each approach. c. Compare and contrast traditional and behavioral economics across key dimensions.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	1. **Introduction** (5 minutes) - Begin with a relatable scenario involving an economic decision (e.g., choosing between two products, deciding whether to save or spend). - Ask students: What factors do you consider when making these kinds of decisions? Do you always make the "most rational" choice? 2. **Development** (30 minutes) a. Comparison and Contrast: - Use a table or chart to visually compare and contrast the two approaches across different dimensions: - Assumptions about human behavior - Methodology (theoretical vs. empirical) - Focus (market outcomes vs. psychological processes) - Strengths and weaknesses Discuss the limitations of each approach and when each might be more applicable. 3. **Exercise** (5 minutes) – Ask students to reflect on which approach they find more realistic and why. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: https://www.econlib.org/library/Enc1/NeoclassicalEconomics.html#:~:text=1.,utility%20and%20firms%20maximize%20profits. 3. Homework: Research a specific area where behavioral economics has been applied (e.g., marketing, public policy, finance). Describe how behavioral insights have been used to improve outcomes. Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions Ask students to reflect on the implications of each approach for understanding real-world economic phenomena.

	Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 1.7	Course Name: Management Accounting Topic: The Power of Defaults - Organ Donation (Case Study)	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Explain how defaults influence decision-making. b. Connect the organ donation case study to key behavioral economics concepts (default bias, status quo bias, loss aversion). c. Critically evaluate the ethical implications of using nudges.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	1. **Introduction** (5 minutes) - Begin by asking students if they are registered organ donors. Take a quick poll (without pressure to disclose). - Briefly discuss the organ donation shortage and its societal impact. - Ask: Why do you think some countries have much higher organ donation rates than others? 2. **Development** (30 minutes) a. Presenting the Case Study: - Briefly summarize the organ donation case study, highlighting the difference in donation rates between opt-in and opt-out systems. - Display data or visuals if available (e.g., a graph showing donation rates across countries). - Ask: What's going on here? Why is there such a big difference? b. Connecting to Behavioral Economics Concepts: - Introduce the concept of default bias and explain how it influences people's tendency to stick with the default option. - Explain status quo bias and how it reinforces the preference for the current state of affairs. - Discuss loss aversion and how it can explain people's reluctance to change the default, even when it might be beneficial. - Connect these concepts to the organ donation case study. How do they explain the observed differences in donation rates? 3. **Exercise** (5 minutes) – - Facilitate a class discussion using the provided discussion questions: - How does this case study challenge the traditional economic assumption of rational decision-making? - What other real-world examples can you think of where defaults have a significant impact on behavior? (Examples: retirement savings plans, software installation options, email newsletter subscriptions) - What are the ethical considerations of using nudges to influence people's choices? Is it manipulative? When is it justified?

	- Could similar strategies be used to encourage other positive behaviors, such as recycling or healthy eating? Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: https://www.econlib.org/library/Enc1/NeoclassicalEconomics.html#:~:text=1.,utility%20and%20firms%20maximize%20profits. 3. Homework: Find two real-world examples of how defaults are used to influence behavior. Explain which behavioral economics principles are at play. Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions: Ask students to reflect on how they might apply these insights to their own lives or to address social issues they care about Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 2.1	Course Name: Introduction to Behavioural Economics Topic: Traditional Utility Theory	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Define the concept of utility in economics. b. Explain the key assumptions of Traditional Utility Theory (rationality, self-interest, perfect information, stable preferences, maximization). c. Differentiate between total utility and marginal utility. d. State and explain the Law of Diminishing Marginal Utility.
Teaching Aids (if any)	a. PPT b. White board
Teaching Development	1. **Introduction** (5 minutes) - Begin by asking students: "What makes you choose one product over another? What do you hope to get out of the things you buy?" - Introduce the concept of "utility" as the satisfaction or happiness derived from consumption. - State the topic of the lesson: Traditional Utility Theory, which attempts to model these choices. - Briefly mention that this is a foundational theory in economics, but later we will explore how real-world behavior sometimes deviates from it (linking to previous discussion on Behavioral Economics, if applicable). 2. **Development** (30 minutes) **a. Key Assumptions of Traditional Utility Theory (Explain)** Clearly outline and explain each of the key assumptions: • Rationality: Explain that consumers are assumed to make logical choices to maximize their satisfaction. They can rank preferences and act consistently. • Self-Interest: Emphasize that the primary motivation is to maximize their own utility, although this doesn't necessarily exclude altruistic behavior indirectly benefiting the individual's utility. • Perfect Information: Explain the assumption that consumers have complete knowledge about available goods, prices, and qualities (acknowledge this is often unrealistic). • Stable Preferences: Discuss the assumption that tastes and preferences remain relatively constant during the decision-making process. • Maximization: State that consumers aim to get the most satisfaction possible from their limited resources. • Briefly discuss the limitations of these assumptions in the real world, setting the stage for later discussions on behavioral economics (if relevant to the course). **b. Total Utility and Marginal Utility & Law of Diminishing Marginal Utility (Explain & Illustrate)** • Total Utility (TU): Define total utility as the overall satisfaction derived from consuming a certain quantity of a good. • Marginal Utility (MU): Define marginal utility as the additional satisfaction gained from consuming one more unit of a good.

	• Law of Diminishing Marginal Utility: • State the law: As a person consumes more and more of a good, the additional satisfaction (marginal utility) they receive from each additional unit tends to decrease. • Provide a relatable example (e.g., eating slices of pizza, drinking glasses of water when thirsty). • Explain the trend in marginal utility and its impact on total utility. • Briefly sketch a total utility curve (increasing at a decreasing rate, then potentially decreasing) and a marginal utility curve (downward sloping, potentially becoming negative). **c. Application: Utility Maximization (Apply & Elaborate)** • Introduce a simple scenario with two goods (e.g., apples and bananas) and given prices. • Demonstrate how a consumer with a limited budget would allocate their spending to equalize the marginal utility per dollar across both goods to maximize their overall satisfaction. • Emphasize that this is a simplified model but illustrates the core logic of utility maximization. 3. **Exercise** (5 minutes) – • Briefly summarize the key concepts covered: utility, assumptions of Traditional Utility Theory, total and marginal utility, Law of Diminishing Marginal Utility, and the basic principle of utility maximization. • Reiterate the importance of understanding this theory as a foundation in economics. • Briefly preview the next lesson, which might discuss criticisms of Traditional Utility Theory or introduce Behavioral Economics. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading - Mankiw, N. G. (latest edition). Principles of Microeconomics. (Chapter on Consumer Choice/Utility) - Provides a standard textbook explanation 3. Homework - "Find a real-life example where the Law of Diminishing Marginal Utility seems to apply to your own experiences." - Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. "Do you think the assumption of 'rationality' always holds true in real life? Give an example where it might not." Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 2.2	Course Name: Introduction to Behavioural Economics Topic: Decision Making Under Risk and Uncertainty	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Explain how individuals make decisions under risk and uncertainty. b. Identify and describe key cognitive biases that affect decision-making. c. Apply behavioral economic concepts to real-world scenarios.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	1. **Introduction** (5 minutes) - Begin by asking students: "Are people always rational when making decisions? Give an example." - Briefly introduce the concept of traditional economics and its assumption of rationality. - Introduce behavioral economics as a field that incorporates psychology into economic analysis to explain why people often deviate from rational behavior. - State the session's focus: decision-making under risk and uncertainty. 2. **Development** (30 minutes) **a. Decision Making Under Risk and Uncertainty** Define risk and uncertainty. - Risk: Outcomes and probabilities are known. - Uncertainty: Outcomes or probabilities are unknown. - Use examples to illustrate the difference (e.g., gambling on a known probability game vs. investing in a new startup). - Discuss the Expected Value Theory as a traditional economic model for decision-making under risk. - Explain the formula: EV = Σ (Probability of Outcome x Value of Outcome) - Present a simple example and calculate the expected value. **b. Cognitive Biases in Decision Making** - Introduce the concept of cognitive biases: systematic patterns of deviation from norm or rationality in judgment. - Discuss the following biases with examples: - Loss Aversion: People feel the pain of a loss more strongly than the pleasure of an equivalent gain. - Framing Effect: How information is presented influences decisions. - Availability Heuristic: People overestimate the likelihood of events that are easier to recall. - Anchoring Bias: People rely too heavily on the first piece of information they receive. Relate these biases to decision-making under risk and uncertainty 3. **Exercise** (5 minutes) – One minute paper Write a short paragraph explaining the decision, the biases involved, and the outcome. Use QA to collect responses and discuss the answers.

Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading Mankiw, N. G. (latest edition). Principles of Microeconomics. (Chapter on Consumer Choice/Utility) - 3. Homework - "Find a real-life example where the Law of Diminishing Marginal Utility seems to apply to your own experiences." - Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - " How does behavioral economics change your view of how people make decisions? - Can you identify any cognitive biases that have influenced your own past decisions? - How can an understanding of behavioral economics help us make better decisions in the future? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 2.3	Course Name: Introduction to Behavioural Economics Topic: Prospect Theory - Reference Points	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. define Prospect Theory and explain how it differs from Expected Utility Theory. b. explain the concept of a reference point and its role in Prospect Theory. c. analyze how reference points influence decision-making in various contexts. d. discuss the implications of reference points in real-world scenarios.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	1. **Introduction** (5 minutes) - Begin by reviewing the concept of Expected Utility Theory from previous lessons. Ask students about its assumptions. - Introduce Prospect Theory as an alternative model developed by Kahneman and Tversky, which better explains how people actually make decisions. - Briefly explain that Prospect Theory emphasizes that people do not always make rational decisions as suggested by traditional economic models. 2. **Development** (30 minutes) **a. Prospect Theory Basics** - Explain the key components of Prospect Theory: - **Value Function:** Discuss how it differs from the utility function in Expected Utility Theory. - Emphasize that people evaluate outcomes relative to a reference point, and that losses loom larger than gains. - **Weighting Function:** Explain how people distort probabilities, overweighing small probabilities and under weighing large probabilities. - Introduce the concept of Reference Points and explain that it is a point from which people evaluate outcomes as gains or losses. - Discuss how reference points are subjective and can be influenced by various factors. **b. Impact of Reference Points on Decision Making** - Provide examples of how reference points affect decision-making: - Investment Decisions: Investors may hold onto losing stocks longer than winning stocks, hoping to get back to their reference point (the original purchase price). - Pricing and Consumption: Consumers may be more sensitive to price increases than price decreases from a reference point (e.g., the regular price they are used to paying). - Negotiations: Reference points can influence both parties' perceptions of what is a fair outcome. - Endowment Effect: People value an object more once they own it, compared to its value when they did not own it. - Use real-life examples or short case studies to illustrate these points.

	3. **Exercise** (5 minutes) – One minute paper Summarize the key takeaways about Prospect Theory and reference points. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading https://thedecisionlab.com/reference-guide/economics/reference-point 3. Homework - "Write a short essay discussing how reference points have influenced one of your own decisions. - Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - How do reference points affect our perception of gains and losses? - Can reference points be manipulated, and if so, what are the ethical implications? - How can understanding reference points help us make better decisions? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 2.4	Course Name: Introduction to Behavioural Economics Topic: Risk Concept and Understanding - Loss Aversion	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. define risk and differentiate it from uncertainty. b. explain the concept of loss aversion. c. analyze how loss aversion influences decision-making in various contexts. d. discuss the implications of loss aversion in real-world scenarios.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	1. **Introduction** (5 minutes) - Begin by reviewing the basic concepts of decision-making under uncertainty. - Introduce the concept of risk and how it differs from uncertainty. - Explain that in risky situations, individuals have some knowledge about the likelihood of potential outcomes. 2. **Development** (30 minutes) **a. Understanding Risk** - Discuss how individuals perceive and evaluate risk. - Explain traditional economic models of risk assessment, such as expected value. - Provide examples of how individuals often deviate from these models in their perception of risk. **b. Loss Aversion** - Introduce the concept of loss aversion as a key component of Prospect Theory. - Explain that loss aversion refers to the tendency for individuals to feel the pain of a loss more strongly than the pleasure of an equivalent gain. - Use examples to illustrate loss aversion: - Discuss how people might be more upset about losing $50 than they would be happy about gaining $50. - Explain how loss aversion can lead to risk-averse behavior when considering potential gains but risk-seeking behavior when considering potential losses. 3. **Exercise** (5 minutes) – One minute paper Summarize the key takeaways about risk and loss aversion. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading https://thedecisionlab.com/reference-guide/economics/reference-point https://www.indeed.com/career-advice/career-development/risk-aversion-vs-loss-aversion#:~:text=In%20particular%2C%20the%20term%20risk,negative%20when%20compared%20to%20gains. 3. Homework

	- "Find examples of how loss aversion is used in marketing, advertising, or public policy. - Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Can reference points be manipulated, and if so, what are the ethical implications? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 2.5	Course Name: Introduction to Behavioural Economics Topic: Loss Aversion - Shape of Utility Function	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. define loss aversion and explain its relationship to risk. b. describe the shape of the value function in Prospect Theory and how it differs from the traditional utility function. c. analyze how the shape of the value function explains loss aversion. d. apply the concept of the value function to real-world examples.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	1. **Introduction** (5 minutes) - Begin by reviewing the concept of loss aversion from the previous lesson. - As mentioned in the previous lecture, loss aversion is the tendency for individuals to feel the pain of a loss more strongly than the pleasure of an equivalent gain. - Briefly recap the examples used in the previous lesson. 2. **Development** (30 minutes) **a. Traditional Utility Function** - Introduce the traditional economic concept of the utility function. - Explain that it represents the relationship between the value of an outcome and the satisfaction or utility derived from it. - Draw a graph of a typical utility function, emphasizing its key characteristics: - Slopes upwards (more is preferred to less) - Concave (reflecting diminishing marginal utility) - Explain that the traditional utility function assumes symmetry between gains and losses. **b. Value Function in Prospect Theory** - Introduce the value function from Prospect Theory. - Draw a graph of the value function, highlighting its key differences from the traditional utility function: - Defined in terms of deviations from a reference point (gains and losses) rather than absolute outcomes. - Steeper for losses than for gains (reflecting loss aversion). - Concave for gains (like the utility function) - Convex for losses - Explain how the steeper slope for losses illustrates that the change in subjective value is greater for losses than for gains. **c. Connecting Loss Aversion to the Value Function** - Explain how the shape of the value function captures loss aversion: - The asymmetry of the value function around the reference point shows that the negative impact of a loss is greater than the positive impact of an equivalent gain. - Use the examples from the previous lesson and explain them using the

	value function. - For example: losing $50 feels much worse than gaining $50 feels good. **Exercise** (5 minutes) – One minute paper: Summarize the key takeaways: Loss aversion is a core feature of Prospect Theory and The value function's shape reflects loss aversion. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading : - https://www.sciencedirect.com/topics/mathematics/risk-aversion#:~:text=Conversely%2C%20one%20can%20conceive%20of,convex%20than%20it%20is%20concave 3. Homework - Find examples of how the asymmetric value function (loss aversion) can explain real-world behavior. Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Can reference points be manipulated, and if so, what are the ethical implications? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 2.6	Course Name: Introduction to Behavioural Economics Topic: Decision Weighting - Probabilistic Judgment	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. explain how Prospect Theory differs from Expected Utility Theory in its treatment of probabilities. b. to describe the concept of the weighting function and how it distorts probabilities. c. analyze how decision weighting affects choices under risk and uncertainty. d. apply the concept of decision weighting to real-world scenarios.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	1. **Introduction** (5 minutes) - Begin by briefly reviewing Expected Utility Theory and its assumption that individuals weight outcomes by their objective probabilities. - Discuss limitations of Expected Utility Theory in explaining certain observed behaviors (e.g., why people buy lottery tickets and insurance). 2. **Development** (30 minutes) **a. Introduction to Decision Weighting in Prospect Theory** - Introduce the concept of the weighting function in Prospect Theory. - Explain that Prospect Theory proposes that individuals do not weight outcomes by their objective probabilities but by subjective "decision weights." - Explain that the weighting function transforms objective probabilities into decision weights. **b. Characteristics of the Weighting Function** - Describe the general shape of the weighting function: - Overweighting of small probabilities: People tend to give disproportionately more weight to very unlikely events (e.g., the probability of winning a lottery). - Underweighting of moderate and large probabilities: People tend to give less weight to moderately and highly probable events. - Subcertainty: The sum of the weights attached to complementary events is less than unity. - Use examples and graphs to illustrate these characteristics. - Explain how the weighting function helps to explain behaviors that are inconsistent with Expected Utility Theory**.** 3. **Exercise** (5 minutes) – Option A: 1% chance of winning $10,000, Option B: $100 for sure. Ask students which option they would choose and why. Discuss how people tend to overweight the small probability of winning a large amount in Option A. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading :

	https://www.sciencedirect.com/science/article/pii/S0010028598907101 3. Homework - Find examples of how decision weighting is exploited in marketing, advertising, or other real-world contexts. - Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Can reference points be manipulated, and if so, what are the ethical implications? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 2.7	Course Name: Introduction to Behavioural Economics **Topic:** Behavioural Model of Decision-Making	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. define the Behavioral Model of Decision-Making. b. compare and contrast the Behavioral Model with the traditional Expected Utility Theory. c. describe the key components of the Behavioral Model d. apply the Behavioral Model to explain real-world decision-making scenarios.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	- **Introduction** (5 minutes) - Begin by asking students: "Do people always make perfectly rational decisions? Can you think of examples where people act irrationally?" - Briefly introduce the concept of Expected Utility Theory as the traditional economic model of rational decision-making. - **Development** (30 minutes) **a. Introducing the Behavioral Model of Decision-Making** - Define the Behavioral Model of Decision-Making. Explain that it incorporates insights from psychology to provide a more realistic account of how people make choices. - Contrast the Behavioral Model with Expected Utility Theory, highlighting the key differences in assumptions about human behavior. **b. Key Components of the Behavioral Model** - Discuss each of the following components in detail, providing examples and real-world applications: - **Bounded Rationality:** Explain that people have limited cognitive resources and time, which prevents them from fully processing all available information. - Discuss Herbert Simon's concept of "satisficing" - choosing a "good enough" option rather than the absolute best. - Example: Choosing a readily available product instead of conducting extensive research to find the optimal one. - Heuristics and Biases: Explain that people use mental shortcuts (heuristics) to simplify decision-making, which can lead to systematic errors (biases). - **Discuss the following biases:** - Availability Heuristic: Overestimating the likelihood of events that are easy to recall (e.g., fear of flying after a plane crash). - Anchoring Bias: Relying too heavily on the first piece of information received (e.g., initial price in a negotiation). - Confirmation Bias: Seeking information that confirms pre-existing beliefs (e.g., only reading news from a preferred political source). - Framing Effects: - Explain that how a choice is presented can significantly influence the decision, even if the underlying options are objectively the same.

	- Example: A medical treatment with a "90% survival rate" is perceived more favorably than one with a "10% mortality rate." - Loss Aversion: - Explain that people feel the pain of a loss more strongly than the pleasure of an equivalent gain. - Example: Holding onto a losing investment for too long, hoping to "break even." - Non-Standard Preferences: - Explain that people's preferences can be inconsistent, context-dependent, or influenced by social factors. - Example: Time inconsistency - valuing immediate rewards much more highly than future rewards, even if the future rewards are larger. **3. Exercise** (5 minutes) – Applying the Behavioral Model - Present students with a real-world decision-making scenario (e.g., a marketing campaign, a public policy decision, an investment choice). - Ask students to: - Identify which components of the Behavioral Model are most relevant to the scenario. - Explain how these behavioral factors might influence the decisions made by the individuals involved. - Discuss how the decision-making process could be improved by considering these behavioral factors. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading : https://www.nature.com/research-intelligence/regret-theory-in-decision-making-and-economic-behavior#:~:text=Regret%20Theory%3A%20A%20theory%20that,based%20on%20their%20expected%20utility. 3. Homework - Write a short essay analyzing the decision using the concepts learned in class. - Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Can reference points be manipulated, and if so, what are the ethical implications? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 2.8	Course Name: Introduction to Behavioural Economics Topic: Regret Theory	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. define Regret Theory and its central concepts. b. compare and contrast Regret Theory with Expected Utility Theory and Prospect Theory. c. explain how the anticipation of regret influences decision-making. d. apply Regret Theory to explain real-world decision-making scenarios.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Begin by asking students: "Have you ever made a decision and then regretted it? How did that feeling affect your future choices?" - Briefly review Expected Utility Theory and Prospect Theory, highlighting their limitations in explaining certain types of decision-making. **2. Development** (30 minutes) **a. Introducing Regret Theory** - Define Regret Theory. Explain that it is a decision theory that incorporates the emotion of regret into the decision-making process. - Explain that Regret Theory proposes that individuals anticipate the regret they might feel if they make a wrong choice and take this anticipation into account when making decisions. - Contrast Regret Theory with Expected Utility Theory and Prospect Theory, highlighting how it differs in its treatment of preferences and outcomes. **b. Key Concepts of Regret Theory** - Discuss the following key concepts: - Regret Aversion: The tendency to avoid making decisions that could lead to regret. - Counterfactual Thinking: The process of imagining alternative outcomes that could have occurred if a different decision had been made. - Decision Frame: How a decision problem is presented, which can influence the anticipation of regret. - Provide examples and real-world applications to illustrate these concepts: - Example: Investors holding onto losing stocks to avoid the regret of selling at a loss. - Example: Consumers choosing a more expensive product to avoid the regret of buying a cheaper, lower-quality one. **3. Exercise** (5 minutes) – Applying Regret Theory - Present students with decision-making scenarios that highlight the role of regret. - **Scenario 1:** - You have the option to invest in either a safe asset with a guaranteed

	return or a risky asset with the potential for higher returns but also the risk of losses. How does the anticipation of regret influence your investment decision? - **Scenario 2:** - You are choosing between two vacation packages. One is slightly more expensive but includes more activities. How does the anticipation of regretting a boring vacation influence your choice? - **Ask students to:** - Identify how the anticipation of regret might influence the decisions made by the individuals involved. - Explain how Regret Theory can account for the choices made in these scenarios.. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading : https://www.nature.com/research-intelligence/regret-theory-in-decision-making-and-economic-behavior#:~:text=Regret%20Theory%3A%20A%20theory%20that,based%20on%20their%20expected%20utility. 3. Homework - Discuss the implications of Regret Theory for various fields, including Economics , Finance ,Marketing, Consumer behavior. - Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Can reference points be manipulated, and if so, what are the ethical implications? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 2.9	Course Name: Introduction to Behavioural Economics Topic: Rank dependent utility	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Define and explain how RDU differs from Expected Utility Theory and Prospect Theory. b. describe the role of rank ordering of outcomes in RDU. c. analyse how RDU accounts for non-linear probability weighting. d. apply RDU to explain decision-making in complex scenarios.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Begin by reviewing Expected Utility Theory (EUT) and Prospect Theory (PT). - Discuss the limitations of EUT and PT in explaining certain observed behaviors, particularly those involving complex probability weighting. - Introduce Rank-Dependent Utility (RDU) Theory as a generalization of EUT that addresses some of these limitations. **2. Development** (30 minutes) **a. Core Concepts of Rank-Dependent Utility Theory** - Explain the key idea behind RDU: that decision weights are assigned to outcomes based on their rank in the distribution of possible outcomes, rather than their objective probabilities. - Describe the process of rank ordering: o Outcomes are ordered from best to worst. o Decision weights are calculated based on the cumulative probabilities of receiving outcomes at least as good as a given rank. - Introduce the concept of the probability weighting function in RDU, emphasizing that it transforms cumulative probabilities. - Explain how RDU separates the transformation of probabilities from the valuation of outcomes (which is handled by a utility function, similar to EUT). **b. Comparing RDU with EUT and PT** - Compare and contrast RDU with EUT: ▪ EUT assumes linear weighting of objective probabilities. ▪ RDU allows for non-linear weighting of transformed cumulative probabilities. - Compare and contrast RDU with PT: ▪ Both account for non-linear probability weighting. ▪ RDU applies the weighting function to *cumulative* probabilities, while PT applies it to individual probabilities. ▪ RDU typically uses a utility function over final outcomes,

	while PT uses a value function defined over gains and losses relative to a reference point. - Discuss how RDU can accommodate various patterns of probability weighting, including the inverse S-shaped pattern observed in PT. **c. Applications and Implications of RDU** - Discuss how RDU can be used to explain phenomena such as: o The purchase of both lottery tickets (overweighting small probabilities of large gains) and insurance (overweighting small probabilities of large losses). o The Allais paradox, which demonstrates violations of the independence axiom of EUT. o Other complex decision-making scenarios where the rank ordering of outcomes is important. **3. Exercise** (5 minutes) – Summarize the key features of RDU and its advantages over EUT and PT. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: https://www.sciencedirect.com/topics/economics-econometrics-and-finance/rank-dependent-utility 3. Homework - Discuss the implications of RDU for various fields, including Economics , Finance ,Marketing, Consumer behavior. - Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Can reference points be manipulated, and if so, what are the ethical implications? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 3.1	Course Name: Introduction to Behavioural Economics Topic: The Standard Model: Probability Estimation	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. define the Standard Model of probability estimation. b. explain the concepts of representativeness, availability, and anchoring-and-adjustment heuristics. c. analyze how these heuristics can lead to biases in probability estimation. d. apply the Standard Model and its associated heuristics to real-world scenarios.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Begin by asking students how they estimate the likelihood of events in everyday life. - Introduce the idea that people often rely on mental shortcuts or heuristics to make these estimations. - Introduce the Standard Model as a framework that describes some of these heuristics. **2. Development** (30 minutes) **a. Representativeness Heuristic:** Explain the representativeness heuristic: - People judge the probability of an event by how similar it is to a prototype or stereotype they hold in their mind. - Provide examples: - The classic example of the "Linda problem". - Judging someone's profession based on their description. - Discuss how representativeness can lead to the base rate fallacy (ignoring prior probabilities). **b. Availability Heuristic** - Explain the availability heuristic: - People judge the probability of an event by how easily examples of it come to mind. - Provide examples: - Estimating the likelihood of death by shark attack versus death by falling airplane parts. - Assessing the probability of winning the lottery. - Discuss how media coverage and personal experiences can distort availability. **c. Anchoring-and-Adjustment Heuristic** - Explain the anchoring-and-adjustment heuristic:

	- People start with an initial value (the anchor) and then adjust it to reach their final estimate. - Provide examples: - Estimating the price of a house. - Negotiating a salary. - Discuss how the initial anchor can heavily influence the final estimate, even if it's irrelevant. **3. Exercise** (5 minutes) – Provide students with a handout containing probability estimation problems that illustrate the heuristics. For example: - A description of a person; students have to guess their profession (representativeness). - A list of causes of death; students have to rank their likelihood (availability). - A scenario where they have to estimate a value after being given an anchor (anchoring). - Have students work in small groups to discuss the problems and identify which heuristics are at play. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: https://www.sciencedirect.com/topics/computer-science/probability-estimation 3. Homework - Discuss the implications of RDU for various fields, including Economics , Finance ,Marketing, Consumer behavior. - Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Can reference points be manipulated, and if so, what are the ethical implications? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 3.2	Course Name: Introduction to Behavioural Economics Topic: Self-Evaluation Bias	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. define self-evaluation bias and describe different types of self-evaluation biases, including the better-than-average effect, overconfidence, and attribution bias. b. explain the psychological mechanisms that contribute to self-evaluation biases. c. analyze the consequences of self-evaluation biases in various contexts. d. discuss strategies for mitigating the negative effects of self-evaluation biases.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Begin by asking students: "How accurately do you think people assess their own abilities and performance?" - Introduce the concept of self-evaluation and explain that people often tend to evaluate themselves in a biased manner. - Define self-evaluation bias as the tendency to judge oneself in an excessively positive light. **2. Development** (30 minutes) **a. Types of Self-Evaluation Biases** - **Describe the better-than-average effect:** - Explain that most people tend to believe they are above average in various positive traits and abilities, even though this is statistically impossible. - Provide examples: driving ability, intelligence, social skills. - **Describe overconfidence:** - Explain that people tend to overestimate the accuracy of their knowledge, beliefs, and judgments. - Differentiate between overestimation (believing one's performance is better than it actually is), overplacement (believing one is better than others), and overprecision (excessive certainty in the accuracy of one's beliefs). - **Describe attribution bias:** - Explain that people tend to attribute their successes to internal factors (e.g., skill, ability) and their failures to external factors (e.g., bad luck, difficult circumstances). - Discuss the self-serving bias and the fundamental attribution error. **b. Psychological Mechanisms** - Discuss the cognitive and motivational factors that contribute to self-evaluation biases: - Self-enhancement motive: the desire to maintain or increase

	one's self-esteem. - Cognitive heuristics: mental shortcuts that can lead to biased judgments. - Lack of accurate feedback: limited opportunities to receive objective information about one's performance. - Egocentric bias: the tendency to overemphasize one's own perspective and contributions. **c. Consequences of Self-Evaluation Biases** - Analyze the potential consequences of self-evaluation biases in various contexts: - In the workplace: inflated performance evaluations, poor decision-making, interpersonal conflicts. - In education: unrealistic expectations, lack of motivation to improve. - In finance: overconfidence in investment decisions, excessive risk-taking. - In health: underestimation of health risks, non-compliance with medical advice. **d. Mitigation Strategies** - Discuss strategies for reducing the negative effects of self-evaluation biases: - Seeking objective feedback: actively soliciting and considering information from reliable sources. - Self-reflection: engaging in critical self-examination and challenging one's assumptions. - Considering alternative perspectives: trying to see situations from the point of view of others. - Training and education: learning about cognitive biases and their consequences. - Implementing structured decision-making processes: using checklists, algorithms, or other tools to minimize the impact of bias. **3. Exercise** (5 minutes) – Identify a real-life situation where they or someone they know exhibited a self-evaluation bias. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: https://www.sciencedirect.com/topics/computer-science/probability-estimation 3. Homework - Analyze the situation, explaining: The type of self-evaluation bias involved, The psychological mechanisms that contributed to the bias and The consequences of the bias in that situation. - Spend 5 minutes to wrap up and consolidate the learnings

Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Can reference points be manipulated, and if so, what are the ethical implications? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 3.3	Course Name: Introduction to Behavioural Economics Topic: Projection Bias	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. define projection bias. b. explain the psychological mechanisms that contribute to projection bias. c. analyze the consequences of projection bias in various contexts. d. discuss strategies for mitigating the negative effects of projection bias.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Begin by asking students: "Have you ever made a purchase and then regretted it later because your preferences changed?" - Introduce the concept of projection bias and explain that people often tend to assume that their current preferences, beliefs, or feelings will remain the same in the future. **2. Development** (30 minutes) **a. Understanding Projection Bias** **Define projection bias:** - Explain that it is the tendency to overestimate the degree to which one's future self will resemble one's current self. - Emphasize that people tend to project their current tastes, preferences, and states onto their future selves. **Psychological mechanisms:** - Discuss the cognitive and motivational factors that contribute to projection bias: - Emotional state: Current emotions can significantly influence predictions about future feelings and decisions. For example, someone feeling happy is likely to overestimate how happy they will be in the future. - Visceral factors: Current drives, such as hunger, thirst, or sexual arousal, can lead individuals to overestimate the influence of these drives on their future behavior. - Cognitive limitations: Individuals may fail to fully consider how their preferences and circumstances might change over time. Examples: Overbuying groceries when hungry.

	Failing to save adequately for retirement. Underestimating the decline of enjoyment from repeated consumption. **b. Consequences of Projection Bias** - Analyze the potential consequences of projection bias in various contexts: - **Consumer behavior:** - Overbuying products or services that are appealing in the moment but not needed in the long term. - Difficulty in predicting future preferences for goods and experiences. - **Financial decision-making:** - Underestimating future changes in income or expenses, leading to inadequate savings or excessive debt. - Making investment choices based on current market conditions without considering future changes. - **Intertemporal choice**: Making decisions with future consequences. - Undervaluing future consequences due to an over-reliance on current preferences. - **Health-related decisions:** Underestimating future health risks or the difficulty of maintaining a healthy lifestyle. - **Social interactions:** Assuming that others share their current beliefs and preferences, leading to misunderstandings or conflicts. **c. Mitigation Strategies,** - Discuss strategies for reducing the negative effects of projection bias: - Awareness and education: Educating individuals about projection bias and its potential consequences. - Considering future selves: Encouraging people to think about how their preferences and circumstances might change in the future. - Seeking external advice: Consulting with experts or advisors who can provide a more objective perspective. - Pre-commitment devices: Implementing strategies that restrict future choices based on current preference. - Implementation intentions: Forming specific plans that link future situations with desired behaviors. **3. Exercise** (5 minutes) – Identify a real-life situation where they or someone they know exhibited a self-evaluation bias. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: https://www.sciencedirect.com/topics/computer-science/probability-estimation 3. Homework

	- Analyze the situation, explaining: The type of self-evaluation bias involved, The psychological mechanisms that contributed to the bias and The consequences of the bias in that situation. - Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Can reference points be manipulated, and if so, what are the ethical implications? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 3.4	Course Name: Introduction to Behavioural Economics Topic: Causes of Irrationality	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. define irrationality in decision-making. b. describe the psychological biases and cognitive limitations that contribute to irrationality. c. explain how emotions, social factors, and heuristics can lead to irrational choices. d. analyze real-world examples of irrational behavior.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Begin by asking students: "What does it mean to be rational?" and "When do people make irrational decisions?" - Introduce the concept of irrationality as deviations from normative standards of reasoning or decision-making. - Briefly outline the various causes of irrationality that will be covered in the lesson. **2. Development** (30 minutes)- **a. Psychological Biases and Cognitive Limitations** Discuss how psychological biases can lead to irrationality: - Confirmation bias: the tendency to favor information that confirms one's existing beliefs. - Loss aversion: the tendency to feel the pain of a loss more strongly than the pleasure of an equivalent gain. - Availability heuristic: the tendency to overestimate the likelihood of events that are easily recalled. - Framing effects: the way information is presented can influence decisions, even if the underlying facts are the same. Explain how cognitive limitations, such as limited attention, memory, and processing capacity, can also contribute to irrationality. **b. Emotions and Social Factors** Explore the role of emotions in irrational decision-making: - Discuss how emotions like fear, anger, and excitement can cloud judgment and lead to impulsive or ill-considered choices. - Provide examples such as panic buying or making investment decisions based on emotional reactions. - Analyze how social factors can influence irrationality: - Social conformity: the tendency to align one's beliefs and behaviors with those of a group, even when the group is wrong. - Social pressure: the influence of others' expectations and demands on one's decisions. - Groupthink: the phenomenon where a group of people make irrational decisions due to a desire for harmony or conformity.

	c. **Heuristics and Irrationality** Explain how heuristics, or mental shortcuts, can sometimes lead to irrationality: - Representativeness heuristic: the tendency to judge the probability of an event by how similar it is to a prototype or stereotype. - Anchoring and adjustment heuristic: the tendency to rely too heavily on an initial piece of information (the "anchor") when making decisions. - Discuss how heuristics, while often useful, can lead to systematic errors in judgment and decision-making Discuss strategies for mitigating irrationality, such as: - Awareness of biases: recognizing one's own susceptibility to irrationality. - Critical thinking: actively analyzing information and considering alternative perspectives. - Structured decision-making: using techniques like cost-benefit analysis or decision trees. - Seeking diverse opinions: consulting with others to challenge one's own assumptions. **3. Exercise** (5 minutes) – Encourage students to reflect on their own experiences with irrationality and how they can make more rational decisions in the future. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: https://www.sciencedirect.com/topics/computer-science/probability-estimation 3. Homework - Analyze the situation, explaining: The type of self-evaluation bias involved, The psychological mechanisms that contributed to the bias and The consequences of the bias in that situation. - Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Can reference points be manipulated, and if so, what are the ethical implications? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 3.5	Course Name: Introduction to Behavioural Economics Topic: Behavioural Law and Economics	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. define behavioural law and economics. b. explain the key concepts from behavioural economics that are relevant to law, including bounded rationality, cognitive biases, and heuristics. c. analyze how these behavioural insights challenge the assumptions of traditional law and economics.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Begin by introducing the field of behavioural law and economics as an interdisciplinary approach that applies insights from psychology and behavioural science to the study of law. - Contrast it with traditional law and economics, which assumes that individuals are rational actors who make decisions to maximize their self-interest. - Briefly outline the topics to be covered in the lesson: bounded rationality, cognitive biases, heuristics, and their implications for law and policy. **2. Development** (30 minutes)- **a. Bounded Rationality and Cognitive Biases** - Explain the concept of bounded rationality, which recognizes that individuals have cognitive limitations and do not always have the time, information, or cognitive resources to make fully rational decisions. - Discuss various cognitive biases that can affect judgment and decision-making in legal contexts: - Availability heuristic: the tendency to overestimate the likelihood of events that are easily recalled or salient. - Anchoring effect: the tendency to rely too heavily on an initial piece of information (the "anchor") when making judgments. - Framing effects: the way information is presented can influence decisions, even if the underlying facts are the same. - Loss aversion: the tendency to feel the pain of a loss more strongly than the pleasure of an equivalent gain. - Confirmation bias: the tendency to search for, interpret, and favor information that confirms one's pre-existing beliefs. **b. Heuristics and the Law** - Explain how individuals often rely on heuristics, or mental shortcuts, to make decisions in complex or uncertain situations. - Discuss how these heuristics can lead to systematic errors in judgment and decision-making in legal contexts: - Representativeness heuristic: the tendency to judge the probability of an event by how similar it is to a prototype or

	stereotype. - Affect heuristic: the tendency to rely on feelings and emotions rather than careful analysis when making decisions. - Provide examples of how these heuristics can influence legal decision-making, such as juror decision-making, settlement negotiations, and compliance with laws. **c. Implications for Law and Policy** Analyze the implications of behavioural law and economics for the design of laws, regulations, and policies: - Discuss how behavioural insights can be used to design "nudges" that encourage people to make choices that are in their best interests (e.g., automatic enrollment in retirement savings plans). - Explore the use of behavioural principles in designing contracts, warnings, and other legal documents to improve their effectiveness. - Discuss the potential for using behavioural insights to deter crime, promote public health, and protect consumers. **d. Ethical Considerations and Limitations** Discuss the ethical considerations and potential limitations of using behavioural insights in the legal system: - Address concerns about paternalism and the potential for governments or other institutions to manipulate individuals' choices. - Consider the limitations of behavioural research and the challenges of applying its findings to real-world legal problems. Discuss the importance of transparency, public participation, and respect for individual autonomy when designing behaviourally informed laws and policies. **3. Exercise** (5 minutes) – Encourage students to reflect on their own experiences with irrationality and how they can make more rational decisions in the future. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: https://www.sciencedirect.com/topics/computer-science/probability-estimation 3. Homework - Analyze the situation, explaining: The type of self-evaluation bias involved, The psychological mechanisms that contributed to the bias and The consequences of the bias in that situation. - Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and

	discuss. - Can reference points be manipulated, and if so, what are the ethical implications? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 3.6	Course Name: Introduction to Behavioural Economics Topic: Selection Among Multiple Strict Equilibria Via Structure	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Understand the concept of strict Nash equilibria. b. Recognize situations where multiple strict equilibria exist. c. Learn different structural methods for equilibrium selection. d. Apply equilibrium selection criteria to simple games.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Discussion Question: "In a coordination game with two strict Nash equilibria, how do players decide which one to play?" - Key Concepts: - Definition of Nash equilibrium (strict vs. weak). - Examples of games with multiple strict equilibria (e.g., Battle of the Sexes, Stag Hunt). - The problem of equilibrium selection. **2. Development** (30 minutes)- **a. Equilibrium Selection** **A. Focal Points (Schelling, 1960)** - Salience, culture, and common knowledge. - Example: Choosing "Heads" or "Tails" without communication. **B. Risk Dominance (Harsanyi & Selten, 1988)** - Definition: An equilibrium is risk-dominant if it has a larger "basin of attraction." - Example: Stag Hunt game (calculating risk dominance). **C. Payoff Dominance (Pareto Optimality)** - Definition: Players prefer the equilibrium with higher payoffs. - Limitations: May conflict with risk dominance. **D. Evolutionary and Learning Dynamics** - Replicator dynamics, best-response dynamics. - Convergence to certain equilibria over time. b. **Structural Approaches** A. Network Structure & Interaction Patterns How social/network structures influence equilibrium selection. B. Institutional Design & Correlated Equilibrium Using external signals (e.g., traffic lights) to coordinate. C. Global Games (Carlsson & van Damme, 1993) Introducing small noise to eliminate multiple equilibria**.** . **3. Exercise** (5 minutes) – Case Study: Currency attacks or bank runs as examples of equilibrium selection problems. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from

	students on these. 2. Suggested Reading: Harsanyi & Selten (1988) A General Theory of Equilibrium Selection in Games 3. Homework - Analyze a given game with multiple equilibria and justify a selection criterion. Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Can reference points be manipulated, and if so, what are the ethical implications? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 3.6	Course Name: Introduction to Behavioural Economics Topic: Selection Among Multiple Strict Equilibria Via Structure	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Understand the concept of strict Nash equilibria. b. Recognize situations where multiple strict equilibria exist. c. Learn different structural methods for equilibrium selection. d. Apply equilibrium selection criteria to simple games.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Discussion Question: "In a coordination game with two strict Nash equilibria, how do players decide which one to play?" - Key Concepts: - Definition of Nash equilibrium (strict vs. weak). - Examples of games with multiple strict equilibria (e.g., Battle of the Sexes, Stag Hunt). - The problem of equilibrium selection. **2. Development** (30 minutes)- **a. Equilibrium Selection** **A. Focal Points (Schelling, 1960)** - Salience, culture, and common knowledge. - Example: Choosing "Heads" or "Tails" without communication. **B. Risk Dominance (Harsanyi & Selten, 1988)** - Definition: An equilibrium is risk-dominant if it has a larger "basin of attraction." - Example: Stag Hunt game (calculating risk dominance). **C. Payoff Dominance (Pareto Optimality)** - Definition: Players prefer the equilibrium with higher payoffs. - Limitations: May conflict with risk dominance. **D. Evolutionary and Learning Dynamics** - Replicator dynamics, best-response dynamics. - Convergence to certain equilibria over time. b. **Structural Approaches** A. Network Structure & Interaction Patterns How social/network structures influence equilibrium selection. B. Institutional Design & Correlated Equilibrium Using external signals (e.g., traffic lights) to coordinate. C. Global Games (Carlsson & van Damme, 1993) Introducing small noise to eliminate multiple equilibria**.** . **3. Exercise** (5 minutes) – Case Study: Currency attacks or bank runs as examples of equilibrium selection problems. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from

	students on these. 2. Suggested Reading: Harsanyi & Selten (1988) A General Theory of Equilibrium Selection in Games 3. Homework - Analyze a given game with multiple equilibria and justify a selection criterion. Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Can reference points be manipulated, and if so, what are the ethical implications? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 3.7	Course Name: Introduction to Behavioural Economics Topic: Framing, Fairness, Complexity	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Understand how framing effects influence decision-making in games. b. Analyze the role of fairness in strategic interactions. c. Explore how complexity (cognitive and computational) affects game outcomes. d. Apply these concepts to real-world economic and social scenarios
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Hook: Show the Prisoner's Dilemma framed in two different ways (e.g., "cooperate vs. defect" vs. "trust vs. betray"). Ask students which version makes them more likely to cooperate. - Key Question: How does the way a game is presented affect players' decisions? - Brief overview of today's topics: Framing, Fairness, Complexity **2. Development** (30 minutes)- **a. Framing Effects in Games** - Definition: Framing refers to how information presentation alters decisions (e.g., gains vs. losses in Prospect Theory). - Examples: - Ultimatum Game: "You get 10tosplit"vs."Yourpartnertook10tosplit"vs."Yourpartnertook10 and offers you $X." - Public Goods Game: "Invest in the group pot" vs. "Prevent others from free-riding." **b. Activity: Framing the Prisoner's Dilemma** - Students play two versions of the Prisoner's Dilemma: - Framed as "Cooperate (help partner) vs. Defect (betray partner)." - Framed as "Stay silent (safe) vs. Confess (risk)." - Debrief: Did framing change their choices? Why? - _____ **c. Fairness in Strategic Interactions** Key Concepts: - Inequity Aversion (people dislike unfair outcomes, even at personal cost). - Reciprocity (people reward fairness, punish unfairness). - Examples: - Ultimatum Game (rejecting unfair offers). - Dictator Game (some still give money despite no punishment). **d. Activity: Ultimatum Game Experiment** - Students pair up: - Proposer offers a split of $10. - Responder accepts (both get money) or rejects (both get $0). - Debrief: Why do responders reject unfair offers? How does fairness affect strategy? - _____

	e. Complexity in Games - Cognitive Complexity: Humans simplify decisions (heuristics, bounded rationality). - Computational Complexity: Some games (e.g., chess, poker) are too complex for perfect rationality. - Examples: - Centipede Game (when to exit?). - Beauty Contest Game (guessing 2/3 of the average). **3. Exercise** (5 minutes) – How do framing, fairness, and complexity appear in markets, politics, or social behavior? Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: Harsanyi & Selten (1988) A General Theory of Equilibrium Selection in Games 3. Homework - How might framing a negotiation as a "loss" vs. a "gain" change outcomes? Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Why do people reject unfair offers in the Ultimatum Game? - In the Beauty Contest Game, why don't players always choose 0? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 3.8	Course Name: Introduction to Behavioural Economics Topic: Revealed Preference - Belief	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Understand the concept of revealed preference and its role in decision theory. b. Explain how beliefs influence strategic interactions in game theory. c. Apply revealed preference reasoning to analyze players' strategies in games. d. Connect revealed preference with Bayesian games and incomplete information.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Motivation: - Why do economists infer preferences from actions rather than stated preferences? - How do beliefs shape decision-making in strategic settings? - Key Questions: - What can we learn from observing choices? - How do players form beliefs about others in games? **2. Development** (30 minutes)- **a. Revealed Preference Theory** - Definition: - A player's preferences are "revealed" through their actions. - Formalized by Paul Samuelson (1938). - Key Concepts: - Weak Axiom of Revealed Preference (WARP): If A is chosen over B, B should never be chosen over A in another scenario. - Application in Games: Inferring a player's payoff structure based on observed strategies. - Example: - If a consumer buys apples instead of oranges at given prices, we infer they prefer apples. - In games, if a player always chooses "Cooperate" in Prisoner's Dilemma, what does this reveal? **b. Beliefs in Game Theory** - Subjective Probability & Beliefs: - Players form beliefs about others' strategies/types. - Bayesian updating in games of incomplete information. - Example: - In a signaling game, how does a receiver update beliefs after observing a sender's action? - Connection to Revealed Preference: - Beliefs can be inferred from observed play (e.g., in equilibrium) **3. Exercise** (5 minutes) – Activity 1:

	Given a set of observed choices in a market, determine if they satisfy WARP. Activity 2: Analyze a simple game (e.g., Battle of the Sexes) and discuss how beliefs affect equilibrium selection. Discussion: Can revealed preference theory fully explain strategic behavior? Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: Samuelson (1938), Rubinstein's Lecture Notes in Microeconomic Theory. 3. Homework - Apply revealed preference to a game with observed strategies. Spend 5 minutes to wrap up and consolidate the learning.
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Why do people reject unfair offers in the Ultimatum Game? - In the Beauty Contest Game, why don't players always choose 0? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 3.9	Course Name: Introduction to Behavioural Economics Topic: Game theory	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Define game theory and explain its relevance in economics, politics, and everyday life. b. Understand key concepts such as players, strategies, payoffs, and Nash Equilibrium. c. Analyze simple games (e.g., Prisoner's Dilemma, Coordination Games) using payoff matrices. d. Apply game theory to real-world scenarios (e.g., business competition, auctions, voting)
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Define game theory and explain its relevance in economics, politics, and everyday life. - Understand key concepts such as players, strategies, payoffs, and Nash Equilibrium. - Analyze simple games (e.g., Prisoner's Dilemma, Coordination Games) using payoff matrices. - Apply game theory to real-world scenarios (e.g., business competition, auctions, voting) **2. Development** (30 minutes)- **a. . Types of Games** - Cooperative vs. Non-cooperative - Zero-sum vs. Non-zero-sum - Simultaneous vs. Sequential **b. Payoff Matrices & Nash Equilibrium** - Example: Prisoner's Dilemma - Two suspects, two choices (Confess / Stay Silent) - Dominant strategy vs. Pareto efficiency - Nash Equilibrium: No player can benefit by changing strategy unilaterally. - Prisoner B: Confess Prisoner B: Silent Prisoner A: Confess (-5, -5) (0, -10) Prisoner A: Silent (-10, 0) (-1, -1) - Discussion: Why do both confess even though mutual silence is better? **c. Other Classic Games** - Battle of the Sexes - Chicken Game - Ultimatum Game **d. Real-World Applications** - Economics: Oligopolies, pricing wars (e.g., Coke vs. Pepsi). - Politics: Arms races, voting strategies. - Biology: Evolutionary stable strategies (e.g., Hawk-Dove game). - Everyday Life: Bargaining, auctions, social dilemmas.

	3. Exercise (5 minutes) – Option 1: Split students into pairs to play the Prisoner's Dilemma (repeated vs. one-shot). Option 2: Auction simulation (first-price vs. second-price sealed bids). Debrief: Discuss outcomes and strategic thinking.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: Samuelson (1938), Rubinstein's Lecture Notes in Microeconomic Theory. 3. Homework Analyze a business/political scenario using game theory. Spend 5 minutes to wrap up and consolidate the learning.
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - "Give an example of a real-world situation where game theory applies." - "What is one question you still have about game theory?" Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 4.1	Course Name: Introduction to Behavioural Economics Topic: Role of Government in Shaping Behaviour	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. describe the various ways in which governments shape the behavior of individuals and organizations. b. explain how laws and regulations, economic incentives and disincentives, public education and awareness campaigns, nudges and behavioral economics, social norms and persuasion, and infrastructure and public services are used to influence behavior. c. provide examples of how governments use these tools to address specific societal problems or achieve desired outcomes. d. discuss the ethical considerations and potential drawbacks associated with government intervention in shaping behavior.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Begin by discussing the broad concept of how behavior is shaped, including individual choices, social norms, and external influences. - Introduce the role of government as a key actor in influencing behavior within a society. - Briefly outline the various tools and mechanisms that governments use to shape behavior. **2. Development** (30 minutes) **a. Laws and Regulations** - Explain how governments establish legal frameworks that define acceptable and unacceptable behavior, providing examples of different types of laws and regulations. - Discuss how regulations can influence behavior in specific areas, such as environmental protection and consumer safety. **b. Economic Incentives and Disincentives** - Explain how governments use taxes, subsidies, fines, and penalties to encourage or discourage certain behaviors. - Provide examples of how these economic tools are used to promote desired outcomes, such as reducing pollution or encouraging the use of renewable energy. **c. Public Education and Awareness Campaigns, Social Norms and Persuasion** - Discuss the role of government in public education and awareness campaigns to inform citizens and promote healthy lifestyles, discourage harmful behaviors, or encourage civic engagement.

	- Explain how governments can use their platforms to shape social norms and values and influence behavior through persuasive messaging and public campaigns. **d. Nudges and Behavioral Economics, Infrastructure and Public Services** - Introduce the concept of nudges and how governments are increasingly using insights from behavioral economics to design policies that subtly influence people's choices. - Explain how the design and provision of infrastructure and public services can shape behavior, providing examples of how investments in public transportation or healthcare can influence individual choices and societal outcomes.. **3. Exercise** (5 minutes) – Recap the various ways in which governments shape behavior and provide a framework for understanding the complex interplay between government actions and individual choices. Use QA to collect responses and discuss the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: https://pmc.ncbi.nlm.nih.gov/articles/PMC3487230/ 3. Homework - Discuss the ethical considerations and potential drawbacks associated with government intervention in shaping behavior, such as issues related to individual freedom, paternalism, and the potential for unintended consequences. - Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. Can policies be manipulated, and if so, what are the ethical implications? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 4.2	Course Name: Introduction to Behavioural Economics Topic: Designing good institutions: the tragedy of the common	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Define the Tragedy of the Commons and explain why shared resources can be overused. b. Analyze real-world examples of commons problems (e.g., fisheries, climate change, public goods). c. Evaluate different institutional solutions (government regulation, privatization, community management). d. Apply game theory concepts (e.g., prisoner's dilemma) to collective action problems.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Hook: Show a short video clip (e.g., overfishing, deforestation) or a thought experiment: - "Imagine a village with a shared pasture. Each farmer benefits from adding more cows, but if everyone does this, the grass is destroyed. What happens?" - Key Questions: - Why do individuals act in ways that harm the group? - Can we design rules to prevent this? - Definition: - Tragedy of the Commons (Garrett Hardin, 1968): When individuals act in their self-interest, depleting a shared resource, even when it's against the group's long-term interest. **2. Development** (30 minutes) A. Theory & Examples - Economic Explanation: - Open-access resources vs. private property. - Incentives: Short-term gain vs. long-term sustainability. Real-World Cases: - Overfishing (e.g., Atlantic cod collapse). - Climate change (carbon emissions as a global commons problem). - Traffic congestion (roads as a shared resource). B. Institutional Solutions - Discuss different ways societies manage commons: - Government Regulation (e.g., fishing quotas, carbon taxes). - Pros: Enforceable rules. - Cons: Requires monitoring, may be inefficient.

	- Privatization (assigning property rights). - Pros: Owners have incentives to conserve. - Cons: May exclude others unfairly. - Community-Based Management (e.g., Elinor Ostrom's work). - Pros: Local knowledge, cooperative enforcement. - Cons: Requires trust and strong social norms. C. Game Theory Perspective - Link to the Prisoner's Dilemma: Individual rationality vs. group benefit. - Experiments: Show how cooperation can emerge with repeated interactions. **3. Exercise** (5 minutes) – "The Fishing Game" (Simulation) - Divide students into groups of "fishermen." - Each can choose to fish 1-3 fish per round. - If total fish exceed sustainable limits, the stock collapses. Discuss: Did groups self-regulate? What strategies worked? the answers.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: Hardin, G. (1968). "The Tragedy of the Commons." Science 3. Homework - Find a real-world example of a commons problem and propose a solution. Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Is privatization always the best solution for commons problems? Why or why not? - How do cultural norms influence the success of community-based management? - Can you think of a commons problem in your daily life? How is it being managed? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 4.3	Course Name: Introduction to Behavioural Economics Topic: Designing good institutions: the tragedy of the commons, matching markets,	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Understand matching markets and their role in efficient resource allocation. b. Compare solutions to commons problems (regulation, privatization, collective action). c. Apply institutional design principles to real-world cases (e.g., fisheries, school choice, organ donations).
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Discussion Question: Why do individuals overuse shared resources even when it's harmful in the long run? - Define Tragedy of the Commons (Hardin, 1968): - Scenario where individuals acting in self-interest deplete a shared resource. - Examples: Overfishing, deforestation, climate change. - Introduce Matching Markets (e.g., Roth's kidney exchange, school choice): - Markets where prices don't clear supply/demand; institutions must design rules for efficiency. **2. Development** (30 minutes) A. Solutions to the Tragedy of the Commons - Regulation & Quotas (e.g., fishing limits, carbon permits). - Privatization (assign property rights). - Community-Based Management (Ostrom's principles). - Case Study: Iceland's tradable fishing quotas vs. unregulated fisheries collapse. B. Matching Markets in Practice - Kidney Exchange: Roth's algorithm for paired donations. - School Choice: Gale-Shapley deferred acceptance algorithm. - Activity: Quick simulation—students rank "schools," apply matching rules. **3. Exercise** (5 minutes) – Small Group Discussion: Scenario 1: A village shares a grazing pasture. Propose institutional solutions. Scenario 2: Design a matching system for allocating internships where students/firms have preferences.

	Debrief: Groups share solutions; discuss trade-offs (equity vs. efficiency).
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: Hardin, G. (1968). "The Tragedy of the Commons." Science Roth, A. (2007). *The Art of Designing Markets.* HBR 3. Homework - Compare two real-world solutions to a commons problem (e.g., congestion pricing vs. carpool lanes) Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Can you think of a commons problem in your community? What solutions might work? - What are the ethical trade-offs in using algorithms for matching (e.g., school choice)? - How might cultural norms influence the success of institutional designs? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 4.4	Course Name: Introduction to Behavioural Economics Topic: behavioural economics and institution design	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Understand the key principles of behavioural economics and how they influence institutional design. b. Identify common cognitive biases and heuristics that affect decision-making within institutions. c. Analyze how behavioural insights can be used to design better policies, regulations, and organizational structures. d. Evaluate real-world examples of behavioural economics applied in institutional settings.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) Engagement & Context Setting: - Begin with a question: "Why do people often make irrational decisions, even within well-designed institutions?" - Brief overview of traditional economics (rational choice theory) vs. behavioural economics (bounded rationality, biases, heuristics). - Explain how institutions (governments, corporations, NGOs) can leverage behavioural insights to improve decision-making. Key Concepts Introduced: - Nudge theory (Thaler & Sunstein) - Default effects, framing, loss aversion - Role of incentives and choice architecture **2. Development** (30 minutes) A. Behavioural Foundations for Institutional Design - How cognitive biases (e.g., status quo bias, present bias) affect institutional behaviour. - The role of social norms and peer effects in shaping institutional outcomes. - Applications in Policy & Organizations - Case Study 1: Automatic enrollment in pension plans (default options). - Case Study 2: Behavioural insights in tax compliance (simplification, social proof). - Case Study 3: Corporate decision-making and overcoming groupthink. Challenges & Criticisms - Ethical concerns (paternalism vs. autonomy). - Limits of nudges in complex institutional environments.

	3. Exercise (5 minutes) – Activity: "Design a Nudge for a Public Policy" Scenario: A city government wants to increase recycling rates but finds that many residents do not separate waste correctly. Task: In small groups, design a behavioural intervention (nudge) using principles like: - Default options - Social norms messaging - Feedback mechanisms Group Presentations: Each group presents their nudge, explaining the behavioural principle used.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: Hardin, G. (1968). "The Tragedy of the Commons." Science Roth, A. (2007). *The Art of Designing Markets.* HBR 3. Homework - Identify a real-world policy (e.g., organ donation, energy conservation) and analyze how behavioural economics principles could improve its design (500-word reflection) Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - How might behavioural economics challenge traditional assumptions about institutional efficiency? - Can nudges ever be manipulative? Where should policymakers draw the line? - What are some limitations of applying behavioural insights in large-scale institutions? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 4.6	Course Name: Introduction to Behavioural Economics Topic: Ethical Considerations in Behavioural Public Policy	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Understand key ethical concerns in behavioural public policy (e.g., nudging, paternalism, autonomy). b. Evaluate the trade-offs between effectiveness and ethical risks in policy design. c. Apply ethical frameworks to assess real-world behavioural interventions
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Opening Discussion: Ask students: "Should governments influence people's behaviour for their own good? Why or why not?" - Definition: Introduce behavioural public policy (using insights from psychology to shape policies, e.g., default options, framing). - Ethical Dilemma: Highlight controversies (e.g., manipulation vs. empowerment, freedom of choice). **2. Development** (30 minutes) **Key Ethical Issues in Behavioural Public Policy** - Autonomy vs. Paternalism - Does nudging undermine free will? (Thaler & Sunstein's "libertarian paternalism"). - Case: Opt-out vs. opt-in organ donation policies. - Transparency & Manipulation - Should nudges be disclosed? (e.g., hidden vs. visible defaults). - Case: UK's "nudge unit" and tax compliance letters. - Bias & Fairness - Do nudges affect vulnerable groups disproportionately? - Case: Food placement in cafeterias and low-income consumers. - Accountability & Democratic Legitimacy - Who decides what's in people's "best interest"? - Case: Singapore's "Healthy Living" nudges. **3. Exercise** (5 minutes) – Scenario Analysis: Divide students into small groups. Each group evaluates a real-world nudge (e.g., calorie labels, automatic enrollment in pensions) using ethical frameworks: Utilitarianism (greatest good for greatest number) Deontology (respect for individual rights) Virtue Ethics (promoting societal well-being)

	Group Discussion: Was the nudge justified? Why or why not? How could it be made more ethical?
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: Hardin, G. (1968). "The Tragedy of the Commons." Science Thaler, R. H., & Sunstein, C. R. (2008). Nudge: Improving Decisions About Health, Wealth, and Happiness 3. Homework - What ethical concerns might arise from using nudges in policymaking? Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Where should governments draw the line between influencing behaviour and respecting autonomy? - Can transparency resolve ethical concerns about nudging? - How might cultural differences affect the ethics of behavioural policies? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 4.7	Course Name: Introduction to Behavioural Economics Topic: UK's "Sugar Tax" – A Case Study in Behavioural Public Policy & Ethical Considerations	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Understand the rationale behind the UK's "Sugar Tax" as a behavioural public policy tool. b. Analyse the effectiveness of the tax in influencing consumer and producer behaviour. c. Evaluate the ethical implications of using behavioural nudges in public policy. d. Debate the trade-offs between public health benefits and individual freedom.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Hook: Show a short clip/news report on the UK's Sugar Tax implementation (2018). - Discussion Starter: - "Should governments influence personal choices to improve public health?" - "Is taxing sugary drinks an effective way to reduce obesity, or is it an overreach?" - Brief Overview: - What is the UK's Soft Drinks Industry Levy (SDIL)? - How does it work? (Tiered tax based on sugar content) - Key goals: Reduce sugar consumption, combat obesity, encourage reformulation. **2. Development** (30 minutes) **A. Behavioural Economics & Policy Design** - How does the sugar tax act as a "nudge"? (Price signal vs. outright ban) - Discussion: Paternalism vs. Libertarian Paternalism (Thaler & Sunstein) - Evidence of effectiveness: - Did consumption drop? - Did companies reformulate drinks? **B. Ethical Considerations** - Autonomy & Freedom of Choice: Is the tax coercive? - Equity Concerns: Is it regressive (disproportionately affecting low-income groups)? - Corporate Responsibility vs. Government Intervention: Should businesses self-regulate?

	- Unintended Consequences: Did consumers switch to other unhealthy options? **3. Exercise** (5 minutes) – Debate: "Is the Sugar Tax Ethically Justified?" Divide the class into two groups: Pro-Tax vs. Anti-Tax Each side presents arguments based on: - Public health benefits - Economic impacts - Ethical concerns (freedom, fairness) Wrap-up: Facilitator summarizes key points and opens for reflections.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: Hardin, G. (1968). "The Tragedy of the Commons." Science Thaler, R. H., & Sunstein, C. R. (2008). Nudge: Improving Decisions About Health, Wealth, and Happiness 3. Homework - Research another behavioural policy (e.g., plastic bag tax, auto-enrolment pensions) and compare ethical concerns. Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Is it the government's role to shape healthier choices, or should individuals have complete freedom? - Could the sugar tax have been designed more fairly? How? - What alternative policies could reduce sugar consumption without taxation? - When does a "nudge" become a "shove"? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 5.1	Course Name: Introduction to Behavioural Economics Topic: Behavioural determinants of health and healthcare	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Define behavioral determinants of health and their impact on healthcare. b. Identify key individual and social behaviors influencing health outcomes. c. Analyze how behavioral factors contribute to health disparities. d. Discuss strategies to modify health behaviors for better healthcare outcomes.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Engagement Activity: - Ask students: "What daily habits do you think most affect a person's health?" (Brief discussion) - Show a short video clip (2-3 min) on how lifestyle choices (e.g., smoking, exercise, diet) influence health. - Key Points: - Behavioral determinants are actions or habits that impact health (e.g., smoking, physical activity, medication adherence). - They interact with social, economic, and environmental factors to shape health outcomes. **2. Development** (30 minutes) **1. Key Behavioral Determinants of Health** - Individual Behaviors: - Diet and nutrition - Physical activity - Substance use (alcohol, tobacco, drugs) - Healthcare-seeking behavior (preventive screenings, vaccination) - Social & Cultural Behaviors: - Health literacy - Stigma affecting care access - Peer/family influence on health choices **2. Impact on Healthcare Systems** - Increased chronic diseases due to poor lifestyle choices - Higher healthcare costs from preventable conditions - Disparities in access and treatment adherence **3. Behavior Change Models** - Health Belief Model (Perceived susceptibility, benefits, barriers)

	- Transtheoretical Model (Stages of Change) - Social Cognitive Theory (Role of environment and self-efficacy) **3. Exercise** (5 minutes) – Activity: "Behavioral Determinants Case Study Analysis" Divide students into small groups. Provide case studies (e.g., a diabetic patient with poor diet adherence, a smoker reluctant to quit). Each group identifies: Key behavioral determinants at play Possible interventions using behavior change models Groups present their findings (3 min each)
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: Hardin, G. (1968). "The Tragedy of the Commons." Science Thaler, R. H., & Sunstein, C. R. (2008). Nudge: Improving Decisions About Health, Wealth, and Happiness 3. Homework - Analyze how social/cultural factors influence it and suggest an intervention Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - How do your own behaviors align or conflict with ideal health practices? - What barriers might prevent people from adopting healthier behaviors? - How can healthcare providers better support patients in making lasting behavior changes? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 5.2	Course Name: Introduction to Behavioural Economics Topic: Behavioural Determinants of Health – Information Asymmetry	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Define information asymmetry and explain its role in healthcare decision-making. b. Analyze how information asymmetry affects patient-provider relationships and health outcomes c. Discuss strategies to reduce information gaps in healthcare systems. d. Apply concepts of behavioural economics to real-world healthcare scenarios.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Ask students: "Have you ever felt unsure about a medical decision because you didn't fully understand the risks or alternatives?" - Show a short video clip (2-3 min) illustrating a doctor-patient interaction where the patient struggles to understand treatment options. - Definition & Relevance: - Information asymmetry occurs when one party (e.g., healthcare provider) has more or better information than another (e.g., patient). - This affects treatment adherence, health-seeking behaviour, and healthcare costs. - Example: A doctor recommends a costly procedure—does the patient have enough information to assess alternatives? **2. Development** (30 minutes) **1. Key Concepts & Theories** - Principal-Agent Problem: Patients (principals) rely on doctors (agents) who may have conflicting incentives. - Adverse Selection & Moral Hazard: How information gaps lead to inefficiencies (e.g., overuse of services, insurance issues). - Behavioural Economics Perspective: How cognitive biases (e.g., overconfidence, trust in authority) worsen information asymmetry. **2. Real-World Implications** - Case Study 1: Overprescription of antibiotics due to patient pressure vs. provider knowledge. - Case Study 2: Differences in health literacy leading to disparities in chronic disease management.

	3. Mitigation Strategies - Health literacy programs (patient education). - Shared decision-making (tools like decision aids). - Regulation & transparency (e.g., price disclosure laws) **3. Exercise** (5 minutes) – Role-Playing Activity: Divide students into pairs: one plays a patient with limited medical knowledge, the other a doctor. Scenario: The patient has back pain—should they get an MRI, physical therapy, or wait? Task: The doctor must explain options clearly, while the patient asks questions to reduce information gaps. Debrief: Discuss challenges in communication and trust.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: Hardin, G. (1968). "The Tragedy of the Commons." Science Thaler, R. H., & Sunstein, C. R. (2008). Nudge: Improving Decisions About Health, Wealth, and Happiness 3. Homework - Analyze how social/cultural factors influence it and suggest an intervention Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - How might cultural differences exacerbate information asymmetry in healthcare? - Should patients be responsible for seeking out medical information, or should providers ensure understanding? - Can technology (e.g., AI chatbots) reduce information gaps, or might it create new problems? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 5.3	Course Name: Introduction to Behavioural Economics Topic: Behavioural interventions for promoting healthy behaviours,	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Define behavioural interventions and their role in promoting healthy behaviours. b. Identify key theories and models used in behavioural interventions (e.g., Transtheoretical Model, Social Cognitive Theory). c. Discuss evidence-based behavioural strategies (e.g., goal-setting, incentives, nudges). d. Apply behavioural interventions to real-world health promotion scenarios
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Engagement Activity: - Ask learners: "What are some common unhealthy behaviours people struggle to change?" (e.g., smoking, poor diet, sedentary lifestyle). - Discuss why changing behaviour is challenging (habits, environmental cues, lack of motivation). - Introduce the concept of behavioural interventions as structured approaches to encourage positive behaviour change. - Key Definitions: - Behavioural Intervention: A strategy designed to influence individuals' actions towards healthier choices. - Examples: Incentive programs, health education, digital health tools (apps, reminders). **2. Development** (30 minutes) **1. Theories and Models of Behaviour Change** - Transtheoretical Model (Stages of Change): Precontemplation → Contemplation → Preparation → Action → Maintenance. - Social Cognitive Theory: Emphasizes self-efficacy, observational learning, and environmental influences. - Nudge Theory: Small changes in the environment that steer behaviour without restricting choice (e.g., placing fruits at eye level in cafeterias). **2. Evidence-Based Behavioural Strategies** - Goal Setting (SMART Goals): Specific, Measurable, Achievable, Relevant, Time-bound. - Self-Monitoring: Tracking behaviours (e.g., food diaries, step counters). - Incentives & Rewards: Financial incentives, social

	recognition. - Social Support: Group interventions, peer coaching. - Environmental Modifications: Changing cues (e.g., reducing junk food availability). **3. Case Studies & Applications** - Example 1: A workplace wellness program using step challenges and rewards. - Example 2: A smoking cessation program using text reminders and peer support. **3. Exercise** (5 minutes) – Activity: Design a Behavioural Intervention Divide learners into small groups. Assign each group a health behaviour (e.g., increasing physical activity, reducing sugary drink consumption). Ask them to design an intervention using one of the discussed models/strategies. Groups present their ideas in 2-3 minutes.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: Michie, S., van Stralen, M. M., & West, R. (2011). The behaviour change wheel: A new method for characterising and designing behaviour change interventions. Implementation Science 3. Homework - Analyze how social/cultural factors influence it and suggest an intervention Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - What are the biggest barriers to behaviour change in your community? - How can behavioural interventions be adapted for different cultural contexts? - Which behavioural theory do you find most practical, and why? - Can technology (e.g., apps, wearables) enhance behavioural interventions? Discuss pros and cons. Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 5.4	Course Name: Introduction to Behavioural Economics Topic: : Behavioural Interventions for Promoting Health and Happiness	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Define behavioural interventions and their role in promoting health and happiness. b. Identify key evidence-based behavioural strategies for enhancing well-being. c. Apply at least one behavioural intervention to their daily routine. d. Reflect on personal habits and their impact on happiness and health
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Engagement Activity: - Ask participants: "What is one small habit that makes you feel happier or healthier?" (Quick group discussion) - Briefly introduce the concept of behavioural interventions—structured techniques designed to encourage positive changes in behaviour for better health and happiness. - Mention examples: gratitude journaling, exercise routines, mindfulness, and social connection. **2. Development** (30 minutes) **1. Key Behavioural Interventions for Health & Happiness** - Cognitive Behavioural Techniques (CBT): Identifying and reframing negative thoughts. - Habit Formation (Tiny Habits Method): Starting small to build sustainable habits. - Gratitude Practice: Writing down things one is grateful for daily. - Mindfulness & Meditation: Reducing stress through present-moment awareness. - Social Connection: Strengthening relationships for emotional well-being. **2. Evidence-Based Benefits** - Discuss research findings (e.g., positive psychology studies, habit science). - Highlight how small changes lead to long-term improvements in mood and health. **3. Case Study/Example** - Share a real-life example of someone who improved well-being through behavioural changes (e.g., daily walks,

	gratitude journaling). **3. Exercise** (5 minutes) – Activity: "Design Your Happiness Intervention" Participants choose one behavioural intervention (e.g., gratitude journaling, 5-minute meditation, a daily walk). Write down: The chosen habit How they will implement it (time, place, cues) Expected benefits Pair-share with a partner for accountability.
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: Michie, S., van Stralen, M. M., & West, R. (2011). The behaviour change wheel: A new method for characterising and designing behaviour change interventions. Implementation Science 3. Homework - Implement the chosen habit for one week and journal experiences. Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - What is one takeaway from today's lesson? - How can behavioural interventions be adapted for different lifestyles? - What barriers might people face when trying new habits, and how can they overcome them? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 5.5	Course Name: Introduction to Behavioural Economics Topic: : Behavioural Interventions for Promoting Happiness	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Define happiness and its key components. b. Identify evidence-based behavioural interventions that enhance happiness. c. Apply practical strategies to increase personal happiness. d. Reflect on personal habits and their impact on well-being
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Engagement Activity: - Ask participants: "What does happiness mean to you?" (Brief discussion) - Present a short video or quote on happiness (e.g., TED Talk clip or positive psychology research). - Key Points: - Happiness is a combination of positive emotions, life satisfaction, and a sense of meaning. - Research shows that 40% of happiness is influenced by intentional activities (Lyubomirsky, 2008). - Behavioural interventions can rewire the brain for greater well-being. **2. Development** (30 minutes) **1. Evidence-Based Behavioural Interventions for Happiness** - Discuss key strategies supported by psychology: - Gratitude Practices - Journaling, thank-you notes Research: Increases positive emotions (Emmons & McCullough, 2003) - Acts of Kindness - Helping others boosts mood (Sonja Lyubomirsky) - Savoring Positive Experiences Mindfulness in joyful moments (Bryant & Veroff, 2007) - Physical Activity & Nature Exposure Exercise and outdoor time reduce stress (Ryan et al., 2010) - Social Connections - Strong relationships are a top predictor of happiness

	(Harvard Study of Adult Development) **2. The Role of Mindset** - Fixed vs. growth mindset (Carol Dweck) - Reframing negative thoughts (Cognitive Behavioural Techniques) **3. Exercise** (5 minutes) – Activity: "Happiness Experiment" Participants choose one behavioural intervention to practice for 5 minutes: - Write a gratitude list - Plan a small act of kindness - Recall and savor a happy memory - Share experiences in pairs or small groups. Discussion Questions: - How did this exercise make you feel? - Could you see yourself using this strategy daily?
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: Michie, S., van Stralen, M. M., & West, R. (2011). The behaviour change wheel: A new method for characterising and designing behaviour change interventions. Implementation Science 3. Homework - Write a short reflection (1 paragraph) on any changes in mood or mindset. Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - What is one takeaway from today's lesson? - How can behavioural interventions be adapted for different lifestyles? - What barriers might people face when trying new habits, and how can they overcome them? Spend 5 minutes to evaluate student assimilation of the lesson contents

Lesson Plan No. 5.5	Course Name: Introduction to Behavioural Economics Topic: : Behavioural Interventions for Promoting Happiness- case study	Course No.: UGMDC-202 B

Objectives	At the end of the lesson the student shall be able to: a. Understand key behavioral interventions that promote happiness. b. Examine case studies demonstrating the effectiveness of these interventions. c. Apply behavioral strategies in personal or professional settings. d. Reflect on the role of intentional actions in enhancing well-being.
Teaching Aids (if any)	a. ICT b. White board
Teaching Development	**1. Introduction** (5 minutes) - Hook: Begin with a short happiness self-assessment (e.g., "On a scale of 1-10, how happy do you feel today?"). - Discussion Question: "What do you think contributes most to happiness—external circumstances or intentional behaviors?" - Key Points: - Happiness is influenced by both genetics (~50%), circumstances (~10%), and intentional activities (~40%) (Lyubomirsky, 2007). - Behavioral interventions focus on actions that individuals can take to enhance their well-being. - Examples: Gratitude journaling, acts of kindness, mindfulness, and savoring positive experiences. - **2. Development** (30 minutes) **Case Study Analysis** **Case Study 1: Gratitude Journaling** - Scenario: A study by Emmons & McCullough (2003) found that participants who wrote about things they were grateful for weekly reported higher happiness levels. - Discussion: How might gratitude shift one's focus from negativity to positivity? **Case Study 2: Random Acts of Kindness** - Scenario: Research shows that performing kind acts (e.g., helping a stranger) increases happiness (Sonja Lyubomirsky's studies). - Discussion: Why does helping others improve our own mood? **Case Study 3: Mindfulness Meditation** - Scenario: A corporate workplace introduced a 10-minute

	daily mindfulness session, leading to reduced stress and increased job satisfaction. - Discussion: How can mindfulness help in emotional regulation? **3. Exercise** (5 minutes) – Activity: "Happiness Experiment" Step 1: Students choose one behavioral intervention (e.g., gratitude journaling, performing acts of kindness, or mindfulness). Step 2: Practice the intervention for 5 minutes in class (e.g., write three things they're grateful for). Step 3: Pair-share experiences—how did it feel? Would they continue this practice?
Closure	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading: Michie, S., van Stralen, M. M., & West, R. (2011). The behaviour change wheel: A new method for characterising and designing behaviour change interventions. Implementation Science 3. Homework - A 1-page summary of observations (Did mood improve? Challenges faced?) Spend 5 minutes to wrap up and consolidate the learnings
Evaluation	1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. - Which intervention resonated most with you, and why? - How might societal or cultural factors influence the effectiveness of these interventions? - Can happiness be sustainably increased, or do people adapt over time? Spend 5 minutes to evaluate student assimilation of the lesson contents