

Experimental Economics (Lecture & Tutorial)

Structure & Outlook

Outlook WS 20/21			
Week	Lecture Thursday 10.15 to 11.45		Tutorial Thursday 12.15 to 13.45
05.11.	(1)	Introduction to Experiments	-
12.11	(2)		-
19.11.	(3)	Methods Terminology	(1) Research Question and Causality
26.11.	(4)	Ultimatum and Dictator Game	(2) Ethical Codes and Deception
03.12.	(5)		(3) Context, Experimenter Demand Effects, and Protocol
10.12.	(6)	Trust Game	(4) Incentives
17.12.	(7)	Public Good Game	(5) Lab, Lab-in-the-field, and Field Experiments
<i>W-I-N-T-E-R B-R-E-A-K</i>			
14.01.	(8)	Cooperation and Punishment	(6) Stata I: Intro
21.01.	(9)	Antisocial Behavior	(7) Stata II: Explorative and Inferential Stat.
28.01.	(10)		(8) Write Protocol
04.02.	(11)	CPR & Crowding out	
11.02.	(12)	Markets, Morality, and Honesty	(9) Students presentation
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28.03.	Exam: Deadline for Essay		

Course description

Course overview

This course introduces students to the field of experimental economics. Students will learn on the types and design elements of experiments applied, and the results of current research with a focus on pro-social behavior (lecture). Beyond, possible pitfalls of the designing and implementation of experiments, as well as unresolved issues of experimental economics are discussed critically (Tutorial). The course thereby covers both, the development of the field from its beginning as well current issues of research.

After a successful completion of the course, students should be able to:

1. Understand concepts of experimental economics and apply them to specific issues
2. Evaluate experimental economic research critically
3. Design own experiments to answer questions of interest

Among the methodological issues considered are those of the concept of causality, and internal and external validity. Experimental games included are Ultimatum, Dictator, Trust, and Public Good Game, as well as Games measuring anti-social behavior. Of specific interest is how these simple games have been extended and enriched to explore the mechanisms behind certain behavior and the context boundaries. Design issues explored in greater detail are that of ethical concerns, contextualization, incentives, forms of implementation (lab, lab-in-the-field, field, RCT), and econometric analysis.

Students are expected to actively contribute to the course individually or in the form of teamwork.

Study achievement and exam

Study achievement: During the course you will be given 8 assignments to be handed in and discussed during the tutorial sessions. To pass the study achievement, you have to hand in 6 out of 8 assignment (in sufficient quality). Alternatively, there is space for 4 presentations that will also count as study achievement.

Exam: Students are to come up with a research question of interest and design an experiment suitable to answer it. For the experimental design students have to decide on how to measure the variables of interest (Lecture content: Which games / survey items to choose?). Beyond, they are to decide on specific design elements and justify their choice (Tutorial content: Incentivization, external and internal validity, contextualization, etc.).

More details will be provided at the beginning of the course.

Useful Literature to get started

- Good starting point for general overview (focus on lab experiments)
Friedman, D., & Sunder, S. (1994). *Experimental methods: A primer for economists*. Cambridge University Press.
- More complete reading on the emerging field of experimental economics
Holt, C. A. (2019). *Markets, games, and strategic behavior: An introduction to experimental economics* (Second edition). Princeton University Press.

Additional references will be provided throughout the course