

Course Syllabus

Course Information

<i>Course Number/Section</i>	ECON 4334-001
<i>Course Title</i>	Experimental Economics
<i>Term</i>	Fall 2009
<i>Days & Times</i>	Tuesday and Thursday, 4:00-5:15
<i>Location</i>	ECSN 2.126

Professor Contact Information

<i>Professor</i>	Sheheryar Banuri
<i>Office Phone</i>	972-883-4914
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<i>Office Location</i>	GR 2.816
<i>Office Hours</i>	Tuesday and Thursday, 2.30-4

Course Pre-requisites, Co-requisites, and/or Other Restrictions

While having taken ECON 3310 Intermediate Microeconomic Theory is advisable, it is not required for this course. We will cover both economic and political theories (though in less depth than your theory-driven courses) over the course of the semester. In addition, you will be asked to conduct simple statistical analysis of data, requiring at least an introductory level statistics course such as SOCS 3405 (Intro to Social Statistics) or ECON 3304 (Techniques for Economic Research).

Course Description

This course provides an introduction to experimental methods in economics and the social sciences. In your other economics courses you have learned about economic theories. In this class we will test these theories. Either we will be able to confirm the theories or we will find evidence that the theories are incorrect, usually because they are based on a questionable assumption. Students will also become familiar with state-of-the-art research methodology in experimental economics, and will participate in and conduct experiments in bargaining, auction markets, and other economic situations. In addition we will also focus on and explore political experiments in the latter part of the course to introduce you to how Experimental Economics is utilized by other disciplines in the social sciences.

Student Learning Objectives/Outcomes

Upon completing this course the student should be able to:

1. Identify and understand the elements of experimental design
2. Analyze and critique an experimental design
3. Design and conduct an experiment
4. Analyze and present experimental data

Required Textbooks and Materials

Required Texts:

Holt, Charles, *Markets, Games and Strategic Behavior*. Pearson Addison Wesley, 2006.

Required Materials

Additional articles will be assigned and available on E-Learning (elearning.utdallas.edu).

Suggested Course Materials

Suggested Readings/Texts

Friedman, Daniel and Shyam Sunder, *Experimental Economics: A Primer for Economists* Cambridge University Press, 1994.

Standard texts from Principles of Economics and Intermediate Microeconomics to help with homework.

Assignments & Academic Calendar

Students will complete weekly homework assignments individually or in teams. In addition, groups will be assigned, and each group will conduct an experiment in class, collect the data, and present the results to the rest of the class. There will be two midterm exams and a cumulative final exam. If you have a grade of A or B after the midterms, you may elect to substitute a research paper (this can be a formal write-up and extension of your experimental presentation, complete with a brief review of related research, or a separate survey of a set of experiments) for the final exam.

Topics, Reading Assignments, Due Dates, Exam Dates (subject to change with reasonable notice)

Week	Date	Topic	Reading Assignment
1	08/20	Introduction	F&S 9
2	08/25	Pit Market – E (Experiment)	Holt 1
	08/27	Pit Market – D (Discussion)	Holt 2
3	09/01	Risk – E	F&S 1, 2
	09/03	Risk – D – Guest Lecture	Holt 4
4	09/08	Matrix Games – E	F&S 1
	09/10	Matrix Games – D	Holt 3
5	09/15	Monopoly and Cournot – E/D	Holt 6
	09/17	Institutions and Market Power	Holt 8
6	09/22	Price Bubbles – E	
	09/24	Price Bubbles – D	Holt 11
7*	09/29	Ultimatum, Dictator Trust – E	
	10/01	Ultimatum, Dictator Trust – D	Holt 12, 13
8*	10/06	Exam Review Session	
	10/08	First Midterm Exam	Assigned chapters
9	10/13	Public Goods – E	
	10/15	Public Goods – D	Holt, 14
10	10/20	Voting and Information Markets – E	
	10/22	Voting and Information Markets – D	Holt 18, 34
11	10/27	Rent Seeking and Corruption – E	
	10/29	Rent Seeking and Corruption – D	Holt 17
12	11/03	Exam Review and Project Work	
	11/05	Second Midterm Exam	Assigned chapters
13	11/10	Group 1 Experiment	
	11/12	Group 2 Experiment	
14	11/17	Groups 1 and 2 Present	TBA
	11/19	Group 3 Experiment	
15	11/24	Group 4 Experiment	
	11/26	Thanksgiving Break	
16	12/01	Groups 3 and 4 Present	TBA
	12/03	Exam Review	
	12/08	No Class	
	4:00pm Thurs, Dec. 10	Final Exam	Cumulative

Outline may be modified in the event of unforeseen circumstances.

Grading Policy

Grades will be calculated as follows:

- Homework: 20%
- Group Project 25%
- Exam 1: 15%
- Exam 2: 15%
- Final exam or individual research paper: 25%

Group Projects

In late September, we will divide up into groups for your group project. Each group will be responsible for conducting one experiment.

There are a number of parts to this project. They are:

- 1) Conduct the in class experiment. Your group will conduct the entire experiment. You will have to prepare instructions and log sheets, collect any materials needed for the experiment, explain the instructions to the class, run the experiment, keep records, etc. I expect you to meet with me at least 48 hours before your scheduled experiment to make sure you are on track, read over your instructions and log sheets and go over any problems you are having. Part of your experimental design is to plan how the payment scheme will work. (More on this later).
- 2) Prepare and grade a homework assignment. You will need to determine a reading assignment from the book and write several homework questions for your classmates to answer. I need to approve all homework assignments in advance. After the assignments are turned in you will have a week to give your classmates feedback, assign grades (mean grade is an 8.5), and write solutions to the homework that you will give me as a Word or PDF file so that I can post it on E-Learning.
- 3) Discuss the experiment in class. This includes presenting summary tables and graphs, calculating useful statistics, performing statistical tests (if any), explaining any relevant theory, comparing the experiments to others we have done in class and discussing the conclusions you draw from the experiment.
- 4) Experiment write-up. These will be due two weeks after the experiment is completed. Write-ups will include copies of the instructions, slides used in the presentation, and a critique of your experiment (what went well, what went poorly, how you would change things if you had them to do over). Write-ups should be no less than 3 pages long, in addition to instructions and slides.

Course Policies

Make-up exams: No make up exams will be given. If you miss an exam with a valid excuse, then your grade will be recalculated. If you miss one exam, the second midterm will be 25% and the final 30%. If you miss two, the final will be worth 55% of your grade. Experience shows that people who miss exams do worse overall in the course than those who take the exams, so don't miss them! Check your schedule now to be sure you can make it.

Homework: You are allowed (even encouraged) to work on your homework in groups. However, each person should write up their answers to the questions separately. This is an important part of the course!

Extra Credit: Occasional extra credit assignments will be announced.

Late Work: 1 day late: 10% deduction; 2 days late, 20% deduction; 3 days late 30% deduction.

Special Assignments: There are no special assignments.

Class Attendance: It is a good idea to attend every class. If you miss an experiment you will have a lot of trouble doing the homework and participating in the discussion.

Classroom Citizenship: This is a discussion-based course, hence participation is strongly encouraged. You are expected to be respectful of your fellow students.

Field Trip Policies / Off-Campus Instruction and Course Activities

We are not planning any off-campus trips.

Student Conduct & Discipline

The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD publication, *A to Z Guide*, which is provided to all registered students each academic year.

The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the *Rules and Regulations, Board of Regents, The University of Texas System, Part 1, Chapter VI, Section 3*, and in Title V, Rules on Student Services and Activities of the university's *Handbook of Operating Procedures*. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (SU 1.602, 972/883-6391).

A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the Regents' Rules, university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.

Academic Integrity

The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work.

Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment or the award of a degree, and/or the submission as one's own work or material that is not one's own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings.

Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details). This course will use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.

Email Use

The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's U.T. Dallas email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.

Withdrawal from Class

The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.

Student Grievance Procedures

Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's *Handbook of Operating Procedures*.

In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.

Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.

Incomplete Grade Policy

As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of **F**.

Disability Services

The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in room 1.610 in the Student Union. Office hours are Monday and Thursday, 8:30 a.m. to 6:30 p.m.; Tuesday and Wednesday, 8:30 a.m. to 7:30 p.m.; and Friday, 8:30 a.m. to 5:30 p.m.

The contact information for the Office of Disability Services is:
The University of Texas at Dallas, SU 22
PO Box 830688
Richardson, Texas 75083-0688
(972) 883-2098 (voice or TTY)

Essentially, the law requires that colleges and universities make those reasonable adjustments necessary to eliminate discrimination on the basis of disability. For example, it may be necessary to remove classroom prohibitions against tape recorders or animals (in the case of dog guides) for students who are blind. Occasionally an assignment requirement may be substituted (for example, a research paper versus an oral presentation for a student who is hearing impaired). Classes enrolled students with mobility impairments may have to be rescheduled in accessible facilities. The college or university may need to provide special services such as registration, note-taking, or mobility assistance.

It is the student's responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.

Religious Holy Days

The University of Texas at Dallas will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.

The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.

If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.

Off-Campus Instruction and Course Activities

Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at the website address given below. Additional information is available from the office of the school dean. (http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm)

These descriptions and timelines are subject to change at the discretion of the Professor.