

Behavioral economics and bounded rationality

ECTS : 3

Description du contenu de l'enseignement :

The objective of the course is to present the most important themes in behavioral economics.

- Reference-dependent utility, with and without risk
- Probabilistic judgement and the treatment of information
- Time preferences
- Attention and inattention
- Social preferences

The course itself will focus on models and their empirical validity. By choice, the course will not be principally about experimental protocols - yet protocols are explained occasionally - but rather on main ideas, results, and debates. The diverse applications will be treated all along.

Compétence à acquérir :

Maybe you have heard about it but never received any formal training on it.

Behavioral economics has reached a certain degree of maturity and **it is part of an aspiring economist culture**

After attending the classes, the students will be able to read the cutting-edge research on the topic.

Given the variety of ways by which standard (non behavioral) models can be tweaked, the course is not intended to promote a particular view, but to help would-be modelers to better motivate their choices.

Mode de contrôle des connaissances :

- MCQs all along the classes (50%).
- Final written exam (50%).

Bibliographie, lectures recommandées :

Highly recommended for the fascinating and lively excursion across almost all topics: Daniel Kahneman's 2011 book, Thinking Fast and Slow.

The main reference is the Handbook of Behavioral Economics, Elsevier, 2018 and 2019. All chapters are dense. Some of them are heavily used for the lectures.

Document susceptible de mise à jour - 02/04/2026

Université Paris Dauphine - PSL - Place du Maréchal de Lattre de Tassigny - 75775 PARIS Cedex 16