Course and Examination Fact Sheet: Spring Semester 2019

8,280: Beyond Homo Oeconomicus: Decision Making and Wellbeing in Economics

ECTS credits: 4

Overview examination/s
(binding regulations see below)
Central - Written examination (50%, 60 mins.)
Decentral - Group examination paper with presentation (all given the same grades) (50%)

Attached courses
Timetable -- Language -- Lecturer
8,280,1.00 Beyond Homo Oeconomicus: Decision Making and Wellbeing in Economics -- Englisch -- Kolmar Martin

Course information

Course prerequisites
none

Course content

The purpose of this course is to better understand how humans make decisions. Decision theory is at the heart of modern economics, political science, and business administration, and it is therefore of uttermost importance to understand how human beings make decisions and how these decisions are related to their wellbeing.

Traditionally, Economics has a very pragmatic approach to explaining individual decisions: the homo-oeconomicus model of preference maximization and instrumental rationality. We will therefore discuss the model in the first part of the course and relate it to "Behavioral Economics", a subfield of economics that challenges some of the assumptions of the homo-oeconomicus model. We will take the history-of-science perspective to better understand how economics evolved and how the mainstream view relates to the social sciences and epistemic and ontological positions on scientific research.

In the second part of the course we take a different perspective. From an evolutionary perspective, decisions are an organisms' way to guarantee its survival and procreation, and the basic challenge is to adapt into an environment in a functional way. Humans have different adaption mechanisms, and it the purpose of this part of the course to understand their functioning the implications of this complex mechanism for decision-making and subjective wellbeing. In order to do so we discuss material from evolutionary biology, affective and cognitive neuroscience, affective psychology, narrative psychology, and artificial intelligence.

In the third part of the course we try to reconcile the picture that we have developed in the second part with standard economics and behavioral economics views on decisions.

Having identified the similarities and differences between the two different views we discuss implications for promoting wellbeing, the view on the state and economic policy.

Overview

I. Homo Oeconomicus

1. Anybody home? Revealed preferences and mindless economics
2. Rational-choice theories of decision-making
3. Behavioral Economics
4. From the bird’s-eye view: Skinner’s doves, subjectivism, and positivism in the social sciences of the 20. century
II. Humans as multi-layered adaption mechanisms
   II.1. Ultimate and proximate causes and the homunculus fallacy
   II.2. Genetic and epigenetic adaption
   II.3. Affective calibration
   II.4. Consciousness, learning, and the narrative self
   II.5. The predictive-brain hypothesis

III. Towards a unified theory of decision making and wellbeing?

IV. Implications for economics
   IV.1. Some remarks on normative criteria
   IV.2. Mismatch Theories of environment and adaption
   IV.3. Hooked? Persuasive technologies
   IV.4. Machiavelli versus Aristotle: competing visions of the good state

Course structure
The course will take place on a weekly basis. During the first half of the semester we will discuss key concepts and theories, whereas the second half of the semester is devoted to the discussion of more specific topics in the form of term papers and presentations. The idea is to have a relatively open format that allows for open discussions and creativity.

Course literature
The mandatory reading list will be available on the Studynet by January 26, 2019.

Additional course information
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Examination information

Examination sub part/s

1. Examination sub part (1/2)

Examination time and form
Central - Written examination (50%, 60 mins.)

Remark
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Examination-aid rule
Open Book
Students are free to choose aids but will have to comply with the following restrictions:

- At such examinations, all the pocket calculators of the Texas Instruments TI-30 series are admissible. Any other pocket calculator models are inadmissible.
- In addition, any type of communication, as well as any electronic devices that can be programmed and are capable of communication such as electronic dictionaries, notebooks, tablets, PDAs, mobile telephones and others, are inadmissible.
- Students are themselves responsible for the procurement of examination aids.

Supplementary aids
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Examination languages
Question language: English
2. Examination sub part (2/2)

Examination time and form
Decentral - Group examination paper with presentation (all given the same grades) (50%)

Remark
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Examination-aid rule
Term papers
- Term papers must be written without anyone else's help and in accordance with the known quotation standards, and they must contain a declaration of authorship.
- The documentation of sources (quotations, bibliography) has to be done throughout and consistently in accordance with the APA or MLA standards. The indications of the sources of information taken over verbatim or in paraphrase (quotations) must be integrated into the text in accordance with the precepts of the applicable quotation standard, while informative and bibliographical notes must be added as footnotes (recommendations and standards can be found, for example, in METZGER, C. (2017), Lern- und Arbeitsstrategien (12th ed., Cornelsen Schweiz).
- For any work written at the HSG, the indication of the page numbers both according to the MLA and the APA standard is never optional.
- Where there are no page numbers in sources, precise references must be provided in a different way: titles of chapters or sections, section numbers, acts, scenes, verses, etc.
- For papers in law, the legal standard is recommended (by way of example, cf. FORSTMOSER, P., OGOREK R. et SCHINDLER B. (2018, Juristisches Arbeiten: Eine Anleitung für Studierende (6. Auflage), Zürich: Schulthess, or the recommendations of the Law School).

Supplementary aids
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Examination languages
Question language: English
Answer language: English

Examination content

The final grade depends on the written exam, the term paper and the oral presentation. The topic of the term paper and the presentation can be negotiated individually, and I will provide a list of potential topics plus basic literature.

The written exam covers the material from the first half of the semester:

I. Homo Oeconomicus
I.1. Anybody home? Revealed preferences and mindless economics
I.2. Rational-choice theories of decision-making
I.3. Behavioral Economics
I.4. From the bird’s-eye view: Skinner’s doves, subjectivism, and positivism in the social sciences of the 20. century
II. Humans as multi-layered adaption mechanisms
II.1. Ultimate and proximate causes and the homunculus fallacy
II.2. Genetic and epigenetic adaption
II.3. Affective calibration
II.4. Consciousness, learning, and the narrative self
II.5. The predictive-brain hypothesis
III. Towards a unified theory of decision making and wellbeing?
IV. Implications for economics
IV.1. Some remarks on normative criteria
IV.2. Mismatch Theories of environment and adaption
IV.3. Hooked? Persuasive technologies
IV.4. Machiavelli versus Aristotle: competing visions of the good state

**Examination relevant literature**
The mandatory reading list will be available on the Studynet by January 26, 2019.

### Please note
We would like to point out to you that this fact sheet has absolute priority over other information such as StudyNet, faculty members' personal databases, information provided in lectures, etc.

- Information about courses and examination time (central/decentral and grading form): from the start of the bidding process on 24 January 2019
- Information about decentral examinations (examination-aid rule, examination content, examination relevant literature): after the 4th semester week on 18 March 2019
- Information about central examinations (examination-aid rule, examination content, examination relevant literature): from the start of the enrolment period for the examinations on 08 April 2019

Please look at the fact sheet once more after these deadlines have expired.