

## Topics in Experimental Economics

**Course Description:** This course will introduce you to the methodology of experimental research in economics. You will read some of the seminal experimental economics papers and you will also be exposed to some currently active areas of research in experimental economics. The aim of the course is to provide you with a solid understanding of the experimental methodology and get you started on an experimental research project that could become a chapter of your dissertation.

**Requirements:** 1) Attendance and active participation in weekly class meetings: You have read the papers on the reading list in advance and have come prepared to discuss them. 2) Presentation/submission of a 15-page proposal for your own experiment. Submission of the 15-page proposal *is due on or before the last class meeting April 26, 2006; no late submissions will be accepted.* You may choose to work on the experimental proposal by yourself or in groups of 2 or 3. A brief oral presentation of the proposal is also required and will be scheduled for the last two weeks of the semester. Grades for this course will be determined on the basis of both the oral presentation and the written 15-page proposal. In the case of group efforts, all members of a group will receive the same grade. You should meet with me to discuss your experimental research proposal by March 1, 2006. The experimental design should be novel, though part of your design might involve replicating an existing experimental finding. A well-developed experimental proposal includes a discussion of the theoretical predictions being tested (or developed), a literature review, an experimental design discussing all treatments and hypothesized impacts, experimental instructions and a strategy for analysis of the experimental data. Ideally, you might conduct a pilot study using some (unpaid) fellow students.

**Books:** The following two books have been ordered and are available for sale at the Book Center:

*Behavioral Game Theory: Experiments in Strategic Interaction* by Colin F. Camerer, Princeton University Press, 2003 (labeled as "BGT").

*Handbook of Experimental Economics*, Edited by John Kagel and Alvin E. Roth, Princeton University Press, 1995 (labeled as "HEE").

These books are optional but should be on the shelf of any serious experimentalist.

**Class Schedule** The course meets Wednesdays, 9:30-11:55am in 4716 W.W. Posvar Hall. A list of topics and readings follows. The list of topics and readings is subject to change.

**Complementary Course:** Economics 2730, Experimental Economics Seminar. This course features outside speakers presenting experimental research. The seminar meets Fridays from 12-1:30pm in 4716 W.W. Posvar Hall.

Date	Topic	Readings
1/4	Introduction	HEE Chp 1, Smith (1982), Roth (1987), Roth (1994), Binmore (1999).
1/11	Methodology I	Smith (1976), Roth and Malouf (1979), Berg et al. (1986), Prasnikar (2000), Plott (1987).
1/18	Methodology II	BGT, pp. 34-42, Davis and Holt (1993), Friedman and Sunder (1994).
1/25	Markets I	HEE Chp 6, Chamberlin (1948), Smith (1962), Plott and Sunder (1982), Forsythe et al. (1984), Gode and Sunder (1993).
2/1	Markets II	Smith et al. (1988), Lei et al. (2001), Duffy and Fisher (2005).
2/8	Auctions	HEE Chp 7, Cox et al. (1982), Kagel et al. (1987), Kagel and Levin (1986).
2/15	Public Goods	HEE Chp 2, Isaac et al. (1994), Andreoni (1995ab), Fehr and Gächter (2000).
2/22	Game Theory	BGT Chps 2&5. Güth et al. (1982), Forsythe et al. (1994), Berg et al. (1995), Selten and Stoeker (1986), McKelvey and Palfrey (1992, 1995), Nagel (1995), Ochs (1995), Goeree and Holt (2001).
3/1	Repeated Games	Roth and Murnighan (1978), Aoyagi and Frechette (2004), Dal Bo (2005), Duffy and Ochs (2005), Engle-Warnick and Slonim (2004).
3/8	Spring Break	No class.
3/15	Learning	BGT, Chp 6; Cheung and Friedman (1997), Erev and Roth (1998), Feltovich (2000), Nyarko and Schotter (2003).
3/22	Other-Regarding Preferences	Fehr and Schmidt (1999), Bolton and Ockenfels (2000), Shaked (2005), Fehr and Schmidt (2005).
3/29	Coordination Games	HEE Chp 3, Cooper (1999), Cooper et al. (1990), Van Huyck et al. (1990), Battalio et al. (2001), Blume and Gneezy (2000), Heinemann et al. (2003).
4/5	Macroeconomics	Duffy (1998), Ricciutti (2004), Marimon and Sunder (1993), Duffy and Ochs (1999), Fehr and Tyran (2000), Lei and Noussair (2002), Capra et al. (2005).
4/12	Networks	Kosfeld (2004), Berninghaus et al. (2002) Charness et al. (2004), Callandar and Plot (2005), Corbae and Duffy (2005), Falk and Kosfeld (2003), Goeree et al. (2005).
4/19	Student Presentations	
4/26	Student Presentations	

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