

Course Outline

Course Information

<i>Course Number/Section</i>	Economics 440 - 500
<i>Course Title</i>	Experimental Economics
<i>Term</i>	Fall 2022
<i>Days & Times</i>	MW 01:05 – 02:20 PM
<i>Location</i>	ALLEN 1002
<i>Course site</i>	Canvas

Instructor Contact Information

<i>Instructor:</i>	Nanyin Yang
<i>Email:</i>	yangnanyin@tamu.edu
<i>Meeting Location:</i>	LASB 260 or Zoom
<i>Virtual Office Hours:</i>	Monday 3:00 - 4:30 & Tuesday 3:00-4:30
<i>Office Hour Link:</i>	https://tamu.zoom.us/j/99428440449?pwd=KzN5VFJ3cko1cS92VElzbjhyby85QT09

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

Pre-requisites: ECON 323, Microeconomic Theory

I discourage you to take this course if you have not taken at least one Statistics class. You will need to conduct simple statistical analysis of data, requiring at least an introductory level statistics course.

Game theory is desired, but not required. Taking it at the same time is great.

Course Description

This course provides an introduction to experimental methods in economics. It teaches you how to test economic theories, as well as introducing you to the experimental methods that are used to investigate questions that may not be possible to study using existing data sets. We study how to design a good experiment that answers important theoretical questions mostly with the intention of refining our current theoretical models. Students will be introduced to state-of-the-art research methodology in experimental economics, and will learn to design their own research by participating in and designing experiments in one of the topics covered during the course.

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

Textbook

Required Text:

Holt, Charles. **Markets, Games, and Strategic Behavior: An Introduction to Experimental Economics (Second Edition).**

Class lectures may have additional material than the textbook. The textbook should be used for critical background reading to complement class lectures and activities. In addition, this textbook will be a great resource for your group project.

Suggested Texts:

- Friedman, Daniel and Shyam Sunder, *Experimental Economics: A Primer for Economists* Cambridge University Press, 1994
- Standard texts from Principles of Economics and Intermediate Economics to help with homework.

MOBLAB:

We will be using a website/app called Moblab to run experiments in class. You will need to sign up as a student and pay the registration fee which is \$25. Sign-up now and download the app (alternatively you can use your laptop).

Here is the link to register: <https://game.moblab.com/server/register.jsp>

Class Name: *Econ 440 Fall 2022*; Class Code: *ndjcxw8y3*

Grading Policy

Overview:		Grading Scale:	
<u>Assignment</u>	<u>Weight</u>	<u>Letter Grade</u>	<u>Points</u>
Exam	30%	A	89.5 – 100
Quizzes (Lowest two scores dropped)	20%	B	79.5 – 89.4
Group Project	40%	C	69.5 – 79.4
Group experiment & presentation attendance	10%	D	59.5 – 69.4
Extra credit from in-class experiments	N/A	F	Below 59.4

Examinations

There will be one exam on **Wednesday, October 12, 2022 in class**. The majority of the exam will cover materials discussed in class which may diverge from the textbook and lecture slides. It is your responsibility to attend class regularly. Exam is closed book.

Quizzes

There will be 7 in-class short quizzes. Quizzes will be on Mondays, in class, with a focus on the course materials covered in the previous week. This behooves you to attend class regularly. The lowest two scores will be excluded from your final grades.

In-class experiments

We will run 7 in-class experiments, and I will keep record of your earnings during in-class experiments. At the end, I will rank you based on your total earnings. The top 10th students will receive 5 bonus points to the final points. Thus, pay attention to the instructions during in-class experiments and do your best to make more “money”.

Group Projects

You will be randomly divided into groups, and each group will be responsible for conducting one experiment and writing up a report. More detailed instructions to come, but here are the main parts.

1. *Find a research question that interests you.* Design an experiment to answer the research question(s). You will prepare a one-page proposal (you must use the template that I will provide). This proposal is due on **October 5th at the beginning of class**. This proposal must be approved by me.
2. *Get ready for the experiment.* This means that you will have to prepare all the materials that you will use to run the experiment. This includes instructions, decision sheets, and any other materials that you may need for your experiment. You need to turn in all of your materials to me for my approval. All the experimental materials are due on **October 26th at the beginning of class**.
3. *Conduct the experiment in class.* Your group will conduct the entire experiment. You will use materials that I approved (such as instructions and decision sheets, any materials needed for the experiment). You will explain the instructions to the class, run the experiment, keep records, collect the data etc.
4. *Present the experiment in class.* This includes presenting your motivation and research question, 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. I will provide a template for this presentation.
5. *Evaluation.* At the end of your presentation, **your classmates will evaluate your research**. We will also have an **in-group evaluation**. This means that each group member will evaluate one another. These evaluations will be used to determine your grade from the group project.
6. *Experiment documentation.* You must turn in a packet. This packet is due on **December 9th by 5pm**. A template for this packet will be provided.

Course Policies

- *Make-up exams:* Make-up exam is available if you miss the exam for a **university approved excuse**. I reserve the right to determine validity and will require proof for the absence. Please see me to schedule a make-up exam **before the actual test date**. In cases where advance notification is not feasible (e.g. accident, or emergency) the student must provide notification by the end of the second working day after the absence. This notification should include an explanation of why notice could not be sent prior to the class/exam.
- No make-up quizzes for the in-class short quizzes.
- *Late Work:* **No late work will be accepted!**
- *Class Attendance:* It is a really 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. **Attendance is mandatory for group assignment and for all group experiments and presentations (all classes during the 12th, 13th, and 16th weeks). I will take attendance for group experiments and presentations.**
- *Classroom Citizenship:* Participation is strongly encouraged.
- *Check your tamu email at least once a day.* You will receive important announcements in your inbox.
- *Special Circumstances:* Send me an email to set up a meeting to discuss your special needs or your special circumstances. Your special circumstance could be anything that occupies your mind and makes you less productive.

Academic Integrity Statement and Policy

An Aggie does not lie, cheat or steal, or tolerate those who do.

You can learn more about the Aggie Honor System Office Rules and Procedures, academic integrity, and your rights and responsibilities at aggiehonor.tamu.edu.

Americans with Disabilities Act (ADA) Policy

Texas A&M University is committed to providing equitable access to learning opportunities for all students. If you experience barriers to your education due to a disability or think you may have a disability, please contact Disability Resources in the Student Services Building or at (979) 845-1637 or visit disability.tamu.edu. Disabilities may include, but are not limited to attentional, learning, mental health, sensory, physical, or chronic health conditions.

All students are encouraged to discuss their disability related needs with Disability Resources. Please arrange to meet with the instructor, in-person, as soon as possible after the start of the semester to discuss accommodations for the class. See office hours posted on Canvas for available times. Students are responsible for scheduling exams with the testing center ASAP, if required (see exam dates above).

Title IX and Statement on Limits to Confidentiality

Texas A&M University is committed to fostering a learning environment that is safe and productive for all. University policies and federal and state laws prohibit gender-based discrimination and sexual harassment, including sexual assault, sexual exploitation, domestic violence, dating violence, and stalking.

With the exception of some medical and mental health providers, all university employees (including full and part-time faculty, staff, paid graduate assistants, student workers, etc.) are Mandatory Reporters and must report to the Title IX Office if the employee experiences, observes, or becomes aware of an incident that meets the following conditions (see University Rule 08.01.01.M1):

- The incident is reasonably believed to be discrimination or harassment.
- The incident is alleged to have been committed by or against a person who, at the time of the incident, was (1) a student enrolled at the University or (2) an employee of the University.

Mandatory Reporters must file a report regardless of how the information comes to their attention – including but not limited to face-to-face conversations, a written class assignment or paper, class discussion, email, text, or social media post. Although Mandatory Reporters must file a report, in most instances, a person who is subjected to the alleged conduct will be able to control how the report is handled, including whether or not to pursue a formal investigation. The University's goal is to make sure you are aware of the range of options available to you and to ensure access to the resources you need.

Students wishing to discuss concerns in a confidential setting are encouraged to make an appointment with Counseling and Psychological Services (CAPS).

Students can learn more about filing a report, accessing supportive resources, and navigating the Title IX investigation and resolution process on the University's Title IX webpage.

Statement on Mental Health and Wellness

Texas A&M University recognizes that mental health and wellness are critical factors that influence a student's academic success and overall wellbeing. Students are encouraged to engage in healthy selfcare by utilizing the resources and services available from Counseling & Psychological Services (CAPS). Students who need someone to talk to can call the TAMU Helpline (979-845-2700) from 4:00 p.m. to 8:00 a.m. weekdays and 24 hours on weekends. 24-hour emergency help is also available through the National Suicide Prevention Hotline (800-273-8255) or at suicidepreventionlifeline.org.

To help protect Aggieland and stop the spread of COVID-19, Texas A&M University urges students to be vaccinated and to wear masks in classrooms and all other academic facilities on campus, including labs. Doing so exemplifies the Aggie Core Values of respect, leadership, integrity, and selfless service by putting community concerns above individual preferences. COVID-19 vaccines and masking — regardless of vaccination status — have been shown to be safe and effective at reducing spread to others, infection, hospitalization, and death.

Student Learning Outcomes

Texas A&M University has identified student learning outcomes that describe our institutional commitment to your education goals. These include the ability to demonstrate critical thinking, effective communication, and social, cultural, and global competence. Please see: <https://catalog.tamu.edu/undergraduate/general-information/student-learning-outcomes/>

Tentative Class Outline:

This is a tentative schedule and subject to change depending upon the progress of the class. Thus, please do not trust this guide solely for class content or meeting type. You are responsible to check Canvas and your email regularly for assigned readings, exam and assignment dates, and all other class related announcements. All due dates are midnight (CT time) unless otherwise stated.

Week	Dates	Topic	Reading Assignments ¹
1	8/24	Introduction to course and instructor	
2	8/29	Intro to experimental methods - 1	Holt: Chapter 1, 13; F&S:
	8/31	Intro to experimental methods - 2	Chapter 1, 2, 3, 9
3	9/5	<i>Faculty and Staff Holiday – No class</i>	-
	9/7	Project Planning	-
4	9/12	Market (E) – Quiz 1	-
	9/14	Market (D)	Smith (1962) & Holt: Chapter 2
5	9/19	Ultimatum and Dictator Games (E) – Quiz 2	-
	9/21	Ultimatum and Dictator Games (D)	Holt: Chapter 14
6	9/26	Trust and Reciprocity (E) – Quiz 3	-
	9/28	Trust and Reciprocity (D)	Holt: Chapter 15
7	10/3	Public Goods (E) – Quiz 4	-
	10/5	Public Goods (D) – Project Proposal Due	Holt Chapter 16
8	10/10	<i>Fall break – No class</i>	-
	10/12	Exam	All Assigned Readings & Lecture Slides
9	10/17	Risk Preferences (E)	-
	10/19	Risk Preferences (D)	Holt Chapter 24
10	10/24	Asset Markets and price bubbles (E) – Quiz 5	-
	10/26	Asset Markets and price bubbles (D) – Experimental Materials Due	Holt: Chapters 4, 28
11	10/31	Auction (E) – Quiz 6	-
	11/2	Auction (D)	Holt: Chapters 26, 27
12	11/7	In-Class Work for Group Experiments – Quiz 7	
	11/9	Group Experiments: 1, 2	
13	11/14	Group Experiments: 3, 4	
	11/16	Group Experiments: 5, 6	
14	11/21	Statistics and Data Analysis Overview	
	11/23	<i>Reading day – No class</i>	
15	11/28	In-Class Work for Data Analysis & Presentation	
	11/30	TBA: Special Topics in Experimental Economics	
16	12/5	Group Presentations: 1, 2, 3	
	12/7	Group Presentations: 4, 5, 6	
	12/9	Group Project Final Report Due	

¹ Some weeks, I may assign other complimentary reading materials. You are responsible to check Canvas frequently and keep up with readings.