ECON 365: Behavioral Economics

Spring 2027

Course logistics

Professor: Remy Beauregard
Professor email: rbeauregard@usfca.edu
Credit: 2 units · Seminar
Lectures: Tuesday · 12:45-2:30 PM · ED 309
Term: January 25 to May 20, 2027
Office hours: Tuesday · 4:30-6:30 PM · McLaren 108

Course description

Behavioral Economics uses insights from psychology to explain human decision-making that deviates from the rational person model assumed in economic theory. The goal is to enhance existing models of how humans make choices individually and in groups in order to better explain economic phenomena.

This course is an introduction to behavioral economics. We will study the standard economic model of rational choice alongside evidence from psychology and experimental economics on how people actually make decisions, and ask when and why the two diverge. We begin with choice under certainty, where reference points, framing, and seemingly irrelevant options shape decisions in ways the standard model does not predict. We then turn to judgment and choice under risk and uncertainty, where intuitive probability judgments and attitudes toward gains and losses depart from the rules of probability and expected utility theory. We close by asking what these departures imply for the scope and limits of economic models of human behavior.

Course learning outcomes

By the end of this course, you will be able to:

1. **Apply the standard model of rational choice.** Represent preferences and utility, identify opportunity costs, and use the model of rational choice under certainty as a benchmark for evaluating real decisions.
2. **Identify systematic departures from rational choice under certainty.** Recognize and explain phenomena such as sunk-cost reasoning, reference dependence, loss aversion, the endowment effect, anchoring, and decoy effects, and explain how each violates the standard model.
3. **Calculate and interpret probabilities.** Apply the rules of probability and Bayes' theorem to judgment problems, and identify where intuitive judgment departs from these rules, including base-rate neglect, the conjunction fallacy, and the availability and representativeness heuristics.
4. **Model choice under risk.** Compute expected value and expected utility, characterize attitudes toward risk, and use prospect theory to explain framing effects, loss aversion, and probability weighting.
5. **Critically evaluate the scope of behavioral economics.** Compare behavioral and neoclassical explanations of economic behavior, and identify what evidence would support or undermine each.

Assignments

Homework

We will have three homework assignments to help you practice material from class and prepare for exams. Each homework is due on Canvas as a single PDF by 11:59pm on the date listed. Late submissions less than 24 hours after the assignment deadline are accepted for half credit; late submissions more than 24 hours after the deadline are not eligible for credit. Please contact me *before the submission deadline* if you need to request an extension.

Exams

We will have three closed-book exams in this class. Each is 100 minutes and covers material from the chapters listed below. Exams 1 and 2 take place during our regular class time. Exam 3 takes place during our final exam period scheduled by the registrar; I will update this time and location later in the semester. Each exam will include both multiple choice and free response questions. Exams cannot be missed without explicit permission from the professor granted *at least one week* before the exam date (or as soon as possible in emergencies). There are no makeup exams for unexcused absences.

Assignment	Coverage	Due	Format
Homework 1	Chapters 1-3	Friday, February 26, 11:59pm	PDF upload on Canvas
Exam 1	Chapters 1-3	Tuesday, March 2, in class	Closed book, on paper
Homework 2	Chapters 4-5	Friday, April 9, 11:59pm	PDF upload on Canvas
Exam 2	Chapters 4-5	Tuesday, April 13, in class	Closed book, on paper
Homework 3	Chapters 6-7	Friday, May 7, 11:59pm	PDF upload on Canvas
Exam 3	Chapters 6-7	Final exam period, scheduled by the registrar	Closed book, on paper

Grading

Your overall grade in this course is calculated as a weighted sum of the assignments below. No other assignments are eligible for credit in this course.

Assignment category	Coverage	Weight
Homework (10% each)	All assigned chapters	30%
Exam 1	Chapters 1-3	20%
Exam 2	Chapters 4-5	25%
Exam 3	Chapters 6-7	25%
Total		**100%**

Letter grades will be assigned at the end of the semester once all assignments have been graded. I expect the class average to fall between 80-85%. Prior to all assignments being graded, however, I cannot provide precise intuition as to the letter grade associated with any percentage grade.

Please contact me with any concerns about class grades.

Attendance

You are expected to attend every class meeting. Because we meet once a week, missing a single class means missing a full week of the course. Attendance is not graded separately, but you are responsible for all material covered in class, including any material not in the textbook.

If you must miss class, please contact me in advance. Absences on exam days without prior permission will result in an exam grade of zero. Absences on exam days with professor permission due to extenuating circumstances may be excused in rare cases.

Technology usage

Technology use in this class is strictly limited to *handwriting* features, such as a note-taking app on a tablet or touchscreen laptop with a stylus. Other functions of devices such as web browsers or AI tools may not be used during class. Cell phones and other devices used for any purpose other than taking handwritten notes may not be used during class.

All exams will be completed and submitted using pen or pencil and paper. Please speak with me if you require an exemption from the rules above due to accommodation from Student Disability Services (SDS) or for another reason.

Course schedule

Weekly topics, textbook chapters, and homework due dates are listed below. All homework is due on Canvas by 11:59pm on the date listed.

Date	Topic	Chapter	Assignment
Tue 1/26	Course overview; introduction	1	
Tue 2/2	Rational choice under certainty	2	
Tue 2/9	Rational choice under certainty (continued)	2	
Tue 2/16	Decision-making under certainty	3	
Tue 2/23	Decision-making under certainty (continued)	3	**Homework 1** (Ch. 1-3) due Fri 2/26
Tue 3/2	**Exam 1 (in class)**	1-3	
Tue 3/9	Probability judgment	4	
Tue 3/16	Spring break (no classes)		
Tue 3/23	Probability judgment (continued)	4	
Tue 3/30	Judgment under risk and uncertainty	5	
Tue 4/6	Judgment under risk and uncertainty (continued)	5	**Homework 2** (Ch. 4-5) due Fri 4/9
Tue 4/13	**Exam 2 (in class)**	4-5	
Tue 4/20	Rational choice under risk and uncertainty	6	
Tue 4/27	Decision-making under risk and uncertainty	7	
Tue 5/4	Decision-making under risk and uncertainty (continued)	7	**Homework 3** (Ch. 6-7) due Fri 5/7
Tue 5/11	General discussion; review for Exam 3	13	
TBD by registrar	**Exam 3 (finals period)**	6-7	

Text and supplies

Angner, Erik. 2020. *A Course in Behavioral Economics*, 3rd ed. London: Bloomsbury Academic. ISBN 9781352010800. Required.

Program learning outcomes

This course supports the following learning outcomes for the Economics program:

1. **Economic literacy.** Students will engage in the systematic study of foundational economic concepts and relate them to economic problems and phenomena faced by people and firms.
2. **Economic theory.** Students will use mathematical models, relational diagrams, and optimization techniques from microeconomic and macroeconomic theory to analyze real world economic problems and generate testable predictions about economic phenomena.

The program's remaining outcomes, economic citizenship and empirical economics, are developed in other coursework.