

Course Code – Behavioural Economics

Cross-Elective – Fall, 2026

Course Information

Course Duration: 14 weeks

Credit Hours: 4

Meetings: **Mon-Wed, 19.50-21.50**

Location: **T4 – S112**

Prerequisites: A prior knowledge of Economics, and Statistics would be useful, but not necessary.

Instructor Information

Instructor: Amlan Das Gupta

Biography:

Dr. Amlan Das Gupta is a Development Economist who has been engaged in teaching and research since 2015. He holds a master's degree in Quantitative Economics from Indian Statistical Institute Delhi and completed his PhD. in Economics from the University of British Columbia, Vancouver, Canada in 2014. Since then he has taught at various institutions which include Indian Statistical Institute Delhi, Drake University, Des Moines, USA and Institute of Financial Management and Research in India. Amlan's research interests lie in the fields of Development and Environmental Economics. His work uses quantitative methods and econometric models to answer questions about economic behaviour and policy in the developing world.

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Office Hours: Tuesdays and Wednesdays 3-5 pm

1. Course Description

This course introduces you to the fundamental concepts in behavioural economics along with its applications. In classical economics and finance, it is assumed that people behave in a manner that can be approximated by rationality. In practice, this means that, in general, human beings try to do the best they can to satisfy their objectives within their limited means. However, in reality, we often find ourselves acting as if we are unaware of what we want. For example, many smokers will continue to smoke even though they are aware of the risks to their lives and the health of those closest to them. Alternatively, if people living in poverty and facing under-nourishment are given extra money, they will spend only a small fraction of that on food. Of course, this behaviour is not because people prefer to suffer; they are subject to certain psychological tendencies of the human brain that are natural and very common. The recognition of psychological behavioural trends in economics came as a challenge to classical economics initially. However, today they are widely recognised. They have formed a separate branch within the discipline called behavioural economics. This new discipline has become extremely influential and has been awarded two Nobel prizes (Daniel Kahneman, 2002 and Richard Thaler, 2017) in recent times. It has found application in the understanding of heuristic biases, overconfidence in investors, formation of trust and genesis of business cycles. Most importantly, it allows us to recognize the workings of our own minds. We now have a better understanding of our own decision-making, how that influences our outcomes and that of society.

2. Course Intended Learning Objectives(Aim)

Course Intended Learning Outcomes	Teaching and Learning Activities	Assessments/ Activities
1. To learn the difference between rationality-based models of economic behaviour and Behavioral models? What is the role of behavioural traits in determining economic and financial outcomes?	Lectures, Readings, Demonstrations.	Quizzes, Assignments.
2. To be able to define, detect and quantify behavioural concepts like heuristic bias, overconfidence, nudging, priming and time-inconsistent preferences?	Lectures, Projects, Demonstrations	Quizzes, Projects
3. To appreciate the costs of ignoring behavioural tendencies for economic outcomes? How can the knowledge of Behavioral concepts be used to improve our lives?	Experiments, Lectures, Demonstrations	Projects, Assignments
4. To formulate and communicate opinions on behavioural aspects of finance and economics.	Projects, Discussions, Lectures	Projects, Assignments

3. Scheme of Evaluation and Grading

This is a continuous assessment course; there will be no final exam.

Assessment Task	Weightage	Nature	Week of Assessment
A1: 2 Group Projects	25×2	Group project reports + Interview	Weeks 7 and 12.
A2: 4 Short Quizzes	5×4	Individual	All through
A3: 3 Assignments	3×10	Individual	All through

Description of Assessments:

- Project: The two projects will have to be completed in groups. Each will involve some primary data collection, either through experiments or field interviews. The grade will be divided into two parts, 60% for the project report and 40% on individual interviews.
- In class short quiz: Students will be given short quiz of 10 MCQs. This will be based on recently covered material.
- Assignments: This will usually involve the writing of reports or write-ups on important topics from time to time. The objective will be to initiate discussions in class.

Grade Definition

Grade	Percentage of Marks	Grade Points	Grade Description
O	80% and above	8	Outstanding – Exceptional knowledge of the subject matter, thorough understanding of issues; ability to synthesize ideas, rules and principles and extraordinary critical and analytical ability
A+	75% – 79.75%	7.5	Excellent - Sound knowledge of the subject matter, thorough understanding of issues; ability to synthesize ideas, rules and principles and critical and analytical ability
A	70% – 74.75%	7	Very Good - Sound knowledge of the subject matter, excellent organizational capacity, ability to synthesize ideas, rules and principles, critically analyse existing materials and originality in thinking and presentation
A-	65% – 69.75%	6	Good - Good understanding of the subject matter, ability to identify issues and provide balanced solutions to problems and good critical and analytical skills
B+	60% – 64.75%	5	Fair – Average understanding of the subject matter, limited ability to identify issues and provide solutions to problems and reasonable critical and analytical skills
B	55% – 59.75%	4	Acceptable - Adequate knowledge of the subject matter to go to the next level of study and reasonable critical and analytical skills.
B-	50% – 54.75%	3	Marginal - Limited knowledge of the subject matter and irrelevant use of materials and, poor critical and analytical skills
P1 or C	45% – 49.75%	2	Pass 1: Pass with Basic understanding of the subject matter.
P2 or D	40% – 44.75%	1	Pass 2: Pass with Rudimentary understanding of the subject matter.
F	Below 40%	0	Fail: Poor comprehension of the subject matter; poor critical and analytical skills and marginal use of the relevant materials. Will require repeating the course.
P	Pass	"Pass" in a pass/fail course.	'P' represents the option of choosing between Pass/Fail grading system over the CGPA grading system in the COVID 19 semester in Spring 2020. The option is provided when students attain a minimum of 40 percentage marks under the current grading structure in a given subject.
I	Incomplete		Extenuating circumstances preventing the student from completing coursework assessment, or taking the examination; or where the Assessment Panel at its discretion assigns this grade. If an "I" grade is assigned, the Assessment Panel will suggest a schedule for the completion of work, or a supplementary examination.

4. Academic Integrity

Academic Integrity and Plagiarism:

Learning and knowledge production of any kind is a collaborative process. Collaboration demands an ethical responsibility to acknowledge who we have learnt from, what we have learned, and how reading and learning from others have helped us shape our own ideas. Even our own ideas demand an acknowledgement of the sources and processes through which those ideas have emerged. Thus, all ideas must be supported by citations. All ideas borrowed from articles, books, journals, magazines, case laws, statutes, photographs, films, paintings, etc., in print or online, must be credited with the original source. If the source or inspiration of your idea is a friend, a casual chat, something that you overheard, or heard being discussed at a conference or in class, even they must be duly credited. If you paraphrase or directly quote from a web source in the examination, presentation or essays, the source must be acknowledged. The university has a framework to deal with cases of plagiarism. All form of plagiarism will be taken seriously by the University and prescribed sanctions will be imposed on those who commit plagiarism.

Disability Support and Accommodation Requirements:

JGU endeavours to make all its courses accessible to students. All students with any known disability needing academic accommodation are required to register with the Disability Support Committee dsc@jgu.edu.in. The Committee has so far identified the following conditions that could possibly hinder student's overall well-being. These include physical and mobility related difficulties; visual impairment; hearing impairment; medical conditions; specific learning difficulties e.g., dyslexia; mental health. The Disability Support Committee maintains strict confidentiality of its discussions. Students should preferably register with the Committee during the month of June/January as disability accommodation requires early planning. DSC will approve of and coordinate all disability related services such as appointment of academic mentors, arranging infrastructural facilities, and course related requirements such as special lectures, tutorials, and examinations.

Safe Space Pledge:

This course may discuss a range of issues and events that might result in distress for some students. Discussions in the course might also provoke strong emotional responses. To make sure that all students collectively benefit from the course, and do not feel disturbed due to either the content of the course or the conduct of the discussions. Therefore, it is incumbent upon all within the classroom to pledge to

maintain respect towards our peers. This does not mean that you need to feel restrained about what you feel and what you want to say. Conversely, this is about creating a safe space where everyone can speak and learn without inhibitions and fear. This responsibility lies not only with students, but also with the instructor.

Use of Phones and Laptops:

Students are advised to treat classroom interaction as a conversation rather than one-sided lectures. As such, usage of phones, laptops when not sought by the instructor, or leaving the classroom in the middle of discussions, will be deeply disturbing, disrupting, and disrespectful.

5. Course Material

There will be no textbook for this course. Readings will be prescribed from time to time.

Recommended Reading:

- “Thinking fast and slow” – Daniel Kahneman.
- "Nudge" – Richard H. Thaler and Cass R. Sunstein.
- “Animal Spirit” - George A. Akerlof and Robert Shiller.
- “Predictably Irrational” - Dan Ariely.
- “Phishing for Phools” - George A. Akerlof and Robert Shiller.
- “Irrational Exuberance” - Robert J. Shiller.
- “Fooled by Randomness” – Nassim Nicholas Taleb.
- “ Dollars and Sense” – Dan Ariely and Jeff Kreisler
- “A Random Walk Down Wall Street” – Burton G. Malkiel.

6. Session Plan

Session (with Date)	General Topic	Readings	Approach/Pedagogy
1-4 (week 1-2)	Introduction	<ul style="list-style-type: none"> • <i>Chapter 1-9 from Thinking Fast and Slow (TFS)</i> • <i>Chapter 1 from Nudge – “Biases and Blunders”</i> 	Lectures, Readings, Demonstrations.
5-8 (week 3-4)	Topic 2: Heuristics and Biases	<ul style="list-style-type: none"> • <i>Thinking fast and slow – Part II.</i> 	Lectures, Readings, Demonstrations.
9-10 (week 4)	Topic 3: Overconfidence	<ul style="list-style-type: none"> • <i>Chapter 24 “The Engine of Capitalism from Thinking Fast and Slow (TFS)</i> • <i>Chapter 1 “Confidence</i> 	Lectures, Readings, Demonstrations.

		<p><i>Multiplier” from “Animal Spirits” – Akerlof and Shiller</i></p> <ul style="list-style-type: none"> • <i>Chapter 1 “The Stock Market in Historical Perspective” - from Irrational Exuberance - Robert Shiller</i> • <i>Chapter 2 “The Madness of the Crowds” from A random Walk Down Wall Street – by Burton G. Malkiel</i> 	
11-14 (week 5-6)	Topic 4: Choice under uncertainty.	<ul style="list-style-type: none"> • <i>Thinking fast and slow – Part V: Choices.</i> • <i>Chapter 2 “Fairness” - from Animal Spirits by Robert Shiller and George A. Akerlof</i> • <i>Henrich, J. (2010). Markets, Religion, Community Size, and the Evolution of Fairness. Science, 1182238(1480), 327.</i> 	Lectures, Readings, Demonstrations.
15-16 (week 7)	Student Presentations/Interviews		
17-18 (week 8)	Topic 5: Behavioural Finance	<ul style="list-style-type: none"> • <i>Chapter 1 Inefficient Markets: An Introduction to Behavioral Finance by Andrei Shleifer</i> • <i>Chapters 1, Firm Foundations and Castles in the Air – From A Random Walk Down Wall Street by Burton G. Malkiel.</i> <p><i>Chapters 5, Technical and Fundamental Analysis – From A Random Walk Down Wall Street by Burton G. Malkiel.</i></p>	Lectures, Readings, Demonstrations.

19-20 (week 9)	Topic 6: Impatience.	<ul style="list-style-type: none"> • <i>Nudge – Chapter 2: Resisting Temptation. Part II: Money.</i> • <i>Thinking Fast and Slow – Part V: Two selves.</i> 	Lectures, Readings, Demonstrations.
21-22 (week 10)	Topic 7: Money Illusion	<i>Chapter 9 - from Animal Spirits by Robert Shiller and George A. Akerlof</i>	Lectures, Readings, Demonstrations.
23 (week 11)	Topic 8: Herd Behaviour	<i>Nudge by Cass Sunstein and Richard Thaler.</i>	Lectures, Readings, Demonstrations.
24-25 (week 11-12)	Topic 9: Choice architecture	<i>Chapter 1, from The Ethics of Influence by Cass R. Sunstein</i>	Lectures, Readings, Demonstrations.
26 (week 13)	Topic 10: Ethical concerns	<ul style="list-style-type: none"> • <i>Chapters 8, from Nudge by Cass Sunstein and Richard Thaler.</i> <i>Chapter 13 from Animal Spirits. By Shiller and Akerlof</i>	Lectures, Readings, Demonstrations.
27-28 (week 14)	Student Presentations/Interviews		