JINDAL GLOBAL BUSINESS SCHOOL
INDIA'S FIRST MULTI-DISCIPLINARY GLOBAL BUSINESS SCHOOL

O.P. Jindal Global University
A Private University Promoting Public Service
NAAC Accreditation - 'A' Grade

Jindal Global Business School
Course Outline

Course Title	Behavioural Economics
Core or Elective	Elective
Program and Batch	BBA 2024
Semester & Academic Year	Fall 2026
Credits	3
Discipline/Area	SSH
Name of the Faculty Member/Course Instructor	Abinash Mishra
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Contact Details of Support Staff	jgbs-eo@jgu.edu.in
Faculty Member's Open Office Day/s & Time	TBA

Introduction to the Course

Effective managers need strong judgment to navigate a complex world. This requires understanding behavioral biases that distort decision-making and using modern analytical, experimental, and AI-driven tools to reduce errors and guide choices. This course examines managerial judgment through behavioral economics, experiments, real-world data, and AI-based insights. It focuses on improving decision-making, designing environments that nudge individuals toward better outcomes, and using data from experiments and intelligent systems to inform managerial choices. Students learn to apply economic, sociological, and psychological research alongside data analytics and AI to build institutions and organizations that help employees, customers, and the public make better, fairer, and more informed decisions. The course covers topics such as decision architecture, networks, defaults, platform design, behavioral biases like risk aversion and inattention, experimental methods, unintended consequences, fairness, and welfare. It offers a non-technical introduction to behavioral economics, highlighting how real-world decisions deviate from classical theory, and shows how AI can be used to analyze patterns, predict behavior, and support strategic interaction. Ultimately, it equips students to understand why people make the decisions they do, improve their own judgment, and anticipate others' actions in complex environments.

Course Learning Objectives

At the end of the course, students should be able to

CLO1. Demonstrate how the standard assumptions in economics translate into predicted behaviour

CLO2. Derive the behaviour predicted by classical game theory in simple games

CLO3. Critically discuss the standard assumptions made in classical economic theory

CLO4. Explain behavioural concepts in individual decision making

CLO5. Explain behavioural concepts in strategic interaction

CLO6. Apply behavioural concepts to new situations

Programme Competency Goals

BBA Programme Competency Goals (PCGs)		**BBA Programme Learning Objectives (PLOs)**
		Students will be able to
1	**Responsible Global Citizenship:** Ability to understand the interplay between local and global issues and to act with sensitivity towards ethical and social issues	1. Understand local business issues
		2. Understand global business issues
		3. Demonstrate sensitivity towards ethical issues
		4. Demonstrate sensitivity towards social issues
2	**Effective communication:** Ability to effectively exchange ideas and information	5. Present their ideas with clarity
		6. Write in a coherent manner
		7. Use technology for communication
3	**Critical Thinking:** Ability to identify, analyze business problems and propose effective solutions	8. Identify main issues of business problems
		9. Examine information from different sources
		10. Draw inferences from analysis
4	**Teamwork:** Ability to work and contribute effectively in group -settings	11. Understand the factors to work effectively in groups
		12. Contribute effectively in groups

PLO-PCG Assessments Mapping Matrix

Program Learning Objectives (PLOs)	**Program Competency Goals (PCGs)**	**Course Assessment Item**
This course helps you to develop the following Program Learning Outcomes:	This course helps you to develop the following Program Competency Goals:	This learning outcome will be assessed in the following items
PLO1, PLO2	PCG1	A1, A2, A3, A4, A5
PLO3, PLO4	PCG1	A1, A3, A4, A5
PLO5, PLO6	PCG2	A3, A4, A5
PLO7	PCG2	A4
PLO8, PLO9, PLO10	PCG3	A2, A3, A4, A5
PLO11, PLO12	PCG4	A4

Evaluation Schema

The course grade will be determined based on:

Assessment Task	**Weightage (Percentage)**	**Nature (Individual/ Group)**	**Week of Assessment**	**PLOs to be Assessed**
A1 Class Participation	10%	Individual	Ongoing	PLO1, PLO2, PLO3, PLO4, PLO5
A2 Quizzes	20%	Individual	Week 4 & Week 9	PLO1, PLO2, PLO8
A3 Midterm Examination	20%	Individual	Midterm Week	PLO1, PLO2, PLO3, PLO4, PLO5, PLO6, PLO8, PLO9, PLO10
A4 Reflection Note	20%	Individual	Week 13	PLO1, PLO2, PLO3, PLO4, PLO5, PLO6, PLO7, PLO8, PLO9, PLO10, PLO11, PLO12
A5 Final Examination	30%	Individual	JGU Examination Period	PLO1, PLO2, PLO3, PLO4, PLO5, PLO6, PLO8, PLO9, PLO10

Description of Assessments:

A1 Class Participation

This will be based on an in-class participation performance and can be reduced or appended based on class participation (ethical/unethical). A detailed (objective) elaboration on the plan will be shared in the first session.

A2 Quiz

There will be two quizzes, average of the two quiz scores will be considered towards the final grade. The quizzes will be conducted using the UMS platform and will consist of time-limited Multiple-Choice Questions (MCQs) covering all topics discussed in the course up to that point. Students are advised to regularly review all lectures and readings to prepare effectively. If a student misses a quiz due to unavoidable circumstances, they must immediately inform the faculty to discuss alternative arrangements. The faculty will evaluate each case on an individual basis.

A3 Midterm

The midterm examination will be of 20 marks with a maximum duration of 90 minutes duration. This will be a pen and paper invigilated exam held on the JGU campus.

A4 Reflection Note

This reflection note aims to identify and analyze at least two behavioural biases or decision patterns, explicitly link them to one or more course concepts/frameworks, and derive two actionable steps to improve future decision-making, demonstrating clear evidence of learning and application. AI-assistance is discouraged and students are expected to submit original work without AI assistance. Penalty for AI-assistance will be as per JGU policy.

A5 End term examination

The end term examination will be of **30 marks of 1.5 hours duration**. This will be an invigilated exam according to the mode, modalities and process as decided by CoE.

Rubrics for Assessments

Rubric: A4 Reflection Note (20 Marks)

Depth of Reflection	5 marks	Insightful, critical thinking vs. mere description
Conceptual Link	5 marks	Clear connection to relevant theories/frameworks
Personal Learning	4 marks	Specific, meaningful insights gained
Application	3 marks	Practical future use of learning
Clarity & Structure	3 marks	Well-organized, clear, error-free writing

Teaching Method

The course will have a judicious mix of lectures, storytelling, experiential exercises, and cases. Here the onus of learning will be with the student, and the instructor will be a facilitator. Instead of learning 'what to do', the cases will also be used as examples of real-world phenomena where issues arise, and good and bad practices are seen. The key to learning this way is to see many examples and situations and learn inductive as well as deductive ways from students' and managers' different experiences.

Textbook / Other Readings

Textbook:

Erik Angner: **A Course in Behavioural Economics**, 3rd edition, 2020.

Additional reading:

Richard Thaler (University of Chicago), **Misbehaving: The Making of Behavioral Economics.**
Daniel Kahneman (Princeton University), **Thinking Fast and Slow.**
E Cartwright, **Behavioral Economics**, Routledge.

Interesting reads:

• Camerer, Colin, and George Loewenstein (2004), "Behavioral Economics: Past, Present, Future," in Advances in Behavioral Economics, Camerer, Colin, George Loewenstein, and Matthew Rabin (editors), New Jersey: Princeton University Press, pp.3-52
• Della Vigna, Stefano (2009), "Psychology and Economics," Journal of Economic Literature, 36(1): 11-46
• Loewenstein, George, (2007), "Experimental Economics from the Vantage Point of Behavioral Economics," in G. Loewenstein, ed., Exotic Preferences: Behavioral Economics and Human Motivation, Oxford University Press.

Session Plan

Session Details	**Topics**	**PLOs Covered**
Module 1: Foundations of Behavioural Economics & AI		
Session 1	Origins and Methods	PLO1, PLO2 PLO8
Objective of the session	Understand the evolution of behavioural economics and how it differs from classical theory.	
Subtopics to be covered	History of the field; introduction to experimental methods	
Readings	Angner (2020): Chapter 1 (Introduction). Thaler (2015): *Misbehaving: The Making of Behavioral Economics*, Chapters 1–3. Della Vigna (2009): "Psychology and Economics," *Journal of Economic Literature.*	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 2	The AI Lens	PLO2, PLO7, PLO9
Objective of the session	Explore how AI/ML helps discover new behavioural variables and simulate human agents.	
Subtopics to be covered	AI curating information; information avoidance in the digital age.	
Readings	**Burton, Stein, & Jensen (2023):** "Beyond algorithm aversion in human-machine decision-making," Judgment in Predictive Analytics, pp. 3–26. **Camerer & Loewenstein (2004):** "Behavioral Economics: Past, Present, Future" (Intro section on computational approaches).	
Case Title & Number	NA	

Pedagogy	Lecture	
Session 3	Rational Choice Under Certainty	PLO8, PLO10
Objective of the session	Define the standard economic model of "rational" decision-making.	
Subtopics to be covered	The concept of preferences and consistency.	
Readings	**Angner (2020):** Chapter 2 (Rational Choice Under Certainty).	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 4	Utility and Managerial Logic	PLO1, PLO8, PLO10
Objective of the session	Translate standard economic assumptions into predicted consumer and manager behaviour.	
Subtopics to be covered	Rational preferences and utility functions.	
Readings	**Angner (2020):** Chapter 2. **Cartwright (2011):** Behavioral Economics, Part 1 (The Economic Model).	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 5	Introduction to Prospect Theory	PLO8, PLO10
Objective of the session	Learn how people actually make choices when faced with uncertainty.	
Subtopics to be covered	Reference-dependent preferences; the role of the status quo.	
Readings	**Angner (2020):** Chapter 3 (Decision Making Under Uncertainty). **Kahneman (2011):** Thinking, Fast and Slow, Part 4 (Choices).	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 6	Loss Aversion & Endowment Effects	PLO1, PLO8, PLO10
Objective of the session	Understand why humans feel the pain of loss more than the joy of gain.	
Subtopics to be covered	Sunk costs; decoy effects in marketing; endowment effects.	
Readings	**Kahneman & Tversky (1979):** "Prospect Theory: An Analysis of Decision Under Risk," Econometrica. **Angner (2020):** Chapter 3.	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 7	AI and Framing Gains/Losses	PLO3, PLO7, PLO9
Objective of the session	Analyze how AI recommendations frame choices as gains or losses to influence users.	
Subtopics to be covered	Human reactions to AI-assisted framing; AI systems exhibiting	

	human-like biases.	
Readings	**Suri et al. (2024):** "Do large language models show decision heuristics similar to humans? A case study using GPT-3.5," Journal of Experimental Psychology.	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 8	Misunderstanding Chance	PLO9, PLO10
Objective of the session	Identify common errors in how humans perceive probability.	
Subtopics to be covered	The Gambler's Fallacy; seeing patterns in random data.	
Readings	**Angner (2020):** Chapter 5 (Judgment Under Risk and Uncertainty).	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 9	Cognitive Blind Spots	PLO8, PLO9, PLO10
Objective of the session	Explore biases that lead to incorrect logical conclusions.	
Subtopics to be covered	Conjunction and disjunction fallacies; base-rate neglect.	
Readings	**Binz & Schulz (2023):** "Using cognitive psychology to understand GPT-3". **Angner (2020):** Chapter 5.	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 10	AI & Confirmation Bias	PLO3, PLO4, PLO7
Objective of the session	Examine how algorithmic filters can amplify human confirmation bias.	
Subtopics to be covered	Capturing LLM failures through human cognitive bias frameworks.	
Readings	**Jones & Steinhardt (2022):** "Capturing failures of large language models via human cognitive biases," Advances in Neural Information Processing Systems.	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 11	Rational Choice Under Risk	PLO6, PLO10
Objective of the session	Learn the math behind Expected Value and Expected Utility.	
Subtopics to be covered	Attitudes toward risk; calculating payoffs in uncertain environments.	
Readings	**Angner (2020):** Chapter 6 (Rational Choice Under Risk and Uncertainty).	
Case Title & Number	NA	
Pedagogy	Lecture	

Session 12	Recommender Systems as Choice Architecture	PLO3, PLO4, PLO7
Objective of the session	Understand how digital platforms "nudge" users toward specific choices.	
Subtopics to be covered	AI-mediated framing; how default options shape digital behavior.	
Readings	**Sunstein (2019):** "Sludge and Ordeals," Duke Law Journal.	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 13	**Guest Lecture: 1**	PLO1, PLO2, PLO7
Objective of the session	Practitioner's perspective of applying behavioral insights to modern financial technology.	
Subtopics to be covered	AI-powered mental accounting; personalized nudges for financial health.	
Readings	**NA**	
Case Title & Number	NA	
Pedagogy	In-class online session with the guest speaker, Discussion	
Session 14	Mental Accounting in Practice	PLO1, PLO8, PLO10
Objective of the session	Learn how humans categorize money and why it leads to "irrational" spending.	
Subtopics to be covered	Bundling products; how AI optimizes personalized bundling.	
Readings	**Angner (2020):** Chapter 7 (Decision Making Under Risk and Uncertainty).	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 15	Ambiguity and Uncertainty	PLO8, PLO10
Objective of the session	Distinguish between known risks and unknown "ambiguity".	
Subtopics to be covered	Ambiguity aversion; the Sure-thing principle.	
Readings	**Angner (2020):** Chapter 7.	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 16	Case Study: Spotify and Netflix	PLO2, PLO7, PLO9
Objective of the session	Analyze real-world application of framing in content recommendation.	
Subtopics to be covered	Personalization algorithms; user retention through behavioral design.	
Readings	**Rabin (2000):** "Risk Aversion and Expected-Utility Theory: A Calibration Theorem," Econometrica. **Course Notes:** Spotify/Netflix personalization.	
Case Title & Number	NA	
Pedagogy	Lecture	

Session 17	Availability and Representativeness	PLO9, PLO10
Objective of the session	Study the mental shortcuts (heuristics) humans use to predict the world.	
Subtopics to be covered	Using ease of recall to judge frequency; stereotyping and representativeness.	
Readings	**Tversky & Kahneman (1974):** "Judgment Under Uncertainty: Heuristics and Biases," Science. **Kahneman (2011):** Thinking, Fast and Slow, Part 2 (Heuristics and Biases).	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 18	Scaling Heuristics with Machine Learning	PLO2, PLO7, PLO9
Objective of the session	Explore how ML can detect and exploit human heuristics at scale.	
Subtopics to be covered	Algorithmic detection of consumer behavior patterns.	
Readings	**Course Notes:** Scale detection of heuristics using ML.	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 19	Synthetic Data and Behavioural Testing	PLO7, PLO9, PLO10
Objective of the session	Learn how to use AI to test human behavioral hypotheses.	
Subtopics to be covered	Using synthetic agents to simulate market reactions.	
Readings	**Course Notes:** Synthetic data and Agent-Based Modeling in Economics.	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 20	Behavioral Game Theory with AI	PLO11, PLO12
Objective of the session	Predict how people act when their opponent is an AI or LLM.	
Subtopics to be covered	Social preferences (altruism, envy); limited strategic thinking.	
Readings	**Angner (2020):** Chapter 11 (Social Preferences). **Brookins & Zentefis (2023):** "Large Language Models as Simulated Economic Agents".	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 21	Human-AI Cooperation	PLO11, PLO12
Objective of the session	Analyze the dynamics of cooperation and trust between humans and machines.	
Subtopics to be covered	Reinforcement learning agents; multi-agent RL in competitive environments.	
Readings	**Dafoe et al. (2020):** "Open Problems in Cooperative AI".	

Case Title & Number	NA	
Pedagogy	Lecture	
Session 22	Measuring Happiness with AI	PLO4, PLO5, PLO7
Objective of the session	Investigate if AI can accurately track subjective well-being.	
Subtopics to be covered	Natural Language Processing (NLP) of text data to measure happiness.	
Readings	**Kahneman & Krueger (2006):** "Developments in the Measurement of Subjective Wellbeing," Journal of Economic Perspectives.	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 23	Adaptation and Habituation	PLO4, PLO9
Objective of the session	Understand how humans "get used to" new technologies or assistants.	
Subtopics to be covered	State-dependent preferences; addiction and habit formation in apps.	
Readings	**Brodeur et al. (2021):** "A Literature Review of the Economics of COVID-19" (Sections on mental health/adaptation).	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 24	**Guest Lecture: 2**	PLO7, PLO9
Objective of the session	Digital Infoveillance: Use search data to track public behavior and sentiment.	
Subtopics to be covered	Google Trends analysis; limits of web-based behavioral data.	
Readings	**NA**	
Case Title & Number	NA	
Pedagogy	In-class online session with the guest speaker, Discussion	
Session 25	Overconfidence in Systems	PLO3, PLO10
Objective of the session	Examine why humans (and AI) often overestimate their capabilities.	
Subtopics to be covered	Over-reliance on AI advice; errors in probabilistic reasoning in LLMs.	
Readings	**Benjamin (2019):** "Errors in Probabilistic Reasoning and Judgment Biases".	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 26	Calibration and Reliance	PLO3, PLO10
Objective of the session	Learn how to balance human judgment with machine output.	
Subtopics to be covered	ML calibration; knowing when to trust an algorithm.	

Readings	**Course Notes:** Calibration and algorithmic aversion/reliance.	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 27	Present-Bias and Discounting	PLO8, PLO10
Objective of the session	Understand why we value small immediate rewards over larger future ones.	
Subtopics to be covered	Hyperbolic discounting; procrastination in management.	
Readings	**Angner (2020):** Chapter 10 (Intertemporal Choice). **Loewenstein (1987):** "Anticipation and the Valuation of Delayed Consumption," Economic Journal.	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 28	AI Commitment Devices	PLO5, PLO6, PLO7
Objective of the session	Explore how AI can help humans overcome their own impatience.	
Subtopics to be covered	Personalized anti-procrastination nudges; digital commitment devices.	
Readings	**Course Notes:** Design principles for AI-led behavioural interventions.	
Case Title & Number	NA	
Pedagogy	Lecture	
Session 29	Reading & Revision Week/ Examination Week*	
Objective of the session	NA	
Subtopics to be covered	NA	
Readings	NA	
Case Title & Number	NA	
Pedagogy	NA	
Session 30	Reading & Revision Week/ Examination Week*	
Objective of the session	NA	
Subtopics to be covered	NA	
Readings	NA	
Case Title & Number	NA	
Pedagogy	NA	

*Elective Endterm Examinations may take place in the last week of classes.

Disability Support

JGU endeavours to make all its courses accessible to students. The Disability Support Committee (DSC) has identified conditions that could hinder a student's overall wellbeing. These include physical and mobility-related difficulties, visual impairment, hearing impairment, mental health conditions, and intellectual/learning

difficulties, e.g., dyslexia and dyscalculia. Students with any known disability needing academic and other support are required to register with the Disability Support Committee (DSC) by following the procedure specified at **https://jgu.edu.in/disability-support-committee/**

Students who need support may register any time during the semester up until a month before the end semester exam begins. Those students who wish to continue receiving support from the previous semester, must re-register within the first month of a semester. Last-minute registrations and support might not be possible as sufficient time is required to make the arrangements for support.

The DSC maintains strict confidentiality about the identity of the student and the nature of their disability and the same is requested from faculty members and staff as well. The DSC takes a strong stance against in-class and out-of-class references made about a student's disability without their consent and disrespectful comments referring to a student's disability.

All general queries are to be addressed to **disabilitysupportcommittee@jgu.edu.in**

Disclaimer: This course outline including assessments, mode, nature and weightage of assessments, sessions, sequence of sessions and/or readings may be revised during the semester if such need arises.