

Prof. Dr. Ronald Schettkat

Misbehaving

MA-Seminar SS 2016

Is the title of the recent book by Richard Thaler on the development of behavioral economics. The book title could either be interpreted in 2 ways:

1. actual economic agents' behavior is not in line with neoclassical axioms
2. Richard Thaler is misbehaving because he (and behavioral economics) criticizes standard modeling in economics.

The MA-Seminar "Misbehaving" will investigate economic agents, firms and markets theoretically and/or empirically. Do the results fit neoclassical assumptions? Does actual behavior deviate from prediction based on perfect market models? Are the deviations tolerable or are they substantial?

Examples for topics (which can also be empirical)

- The law of one price in Wuppertal, in a small area
- The law of one price in the internet
- The price for money, does it differ?
- Apprentices in "minimum-wage-occupations"; why do they decide for training in hair-cutting or other low wage occupations?
- How do wages and education differ between occupations (e.g., care compared to manufacturing jobs)
- Valuing the future: Hyperbolic discounting?
- Learning: Decisions and time
-
- students may suggest own topics

Schedule:

- **first meetings:**
- **January 28, 2016 11:45 room M12.19** (introduction, overview of possible topics)
- **February 4, 11:45 room M12.19** (definition and allocation of topics)
- **end of June 2016** (conference: presentation and discussion of papers)

- between February and June: bilateral consultations

If you like to register, please send an email: duering@wiwi.uni-wuppertal.de

The seminar language will be English

Literature:

Nooteboom, B. (2014). *How Markets Work and Fail, and what to Make of Them*. Edward Elgar Publishing, Cheltenham.

Thaler, R. H. (2015). *Misbehaving: The Making of Behavioral Economics*. W.W. Norton & Company, New York

Akerlof, G. A., & Shiller, R. J. (2010). *Animal spirits: How human psychology drives the economy, and why it matters for global capitalism*. Princeton University Press.

Akerlof, G. A., & Shiller, R. J. (2015). *Phishing for Phools: The Economics of Manipulation and Deception*. Princeton University Press.

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Misbehaving

Deviations from the perfectly rational individual

Deviations from the perfect market

First 2 meetings (introduction and allocation of topics)

January 28, 11:45 Room 12.19

February 04, 11:45 Room 12.19

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Misbehaving

Deviations from the perfectly rational individual

Deviations from the perfect market

Examples for topics (which can also be empirical)

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