

Behavioral Economics

Economics 4160: Fall 2025

(This tentative syllabus will be updated over time and is subject to change.)

Behavioral economics (also referred to as “psychology and economics”) integrates insights from psychology into models of human behavior in economic and social contexts. In this class, we will examine foundational models of microeconomics, review the empirical evidence on how people systematically deviate from the classical assumptions in these models, introduce models of behavioral economics that help account for these deviations, and derive the implications of these new models.

While the course emphasizes psychologically informed economic theory, the core focus remains theoretical. The class material and assessments will concentrate on solving theoretical models (rather than analyzing data).

Contact Information: Kevin He, hekevin@econ.upenn.edu, office hours to be determined.

Teaching Assistant: Natacha Spitzer, nspitzer@sas.upenn.edu, office hours to be determined.

Topics: (1) Choice theory and utility theory, (2) Risk and prospect theory, (3) Learning and biased beliefs, (4) Time preference and present bias, (5) Behavioral game theory and social preferences.

Prerequisites: Before enrolling in this class, you must have completed: (1) ECON 2100, (2) ECON 2300, and (3) either MATH 1080 or MATH 1410.

Logistics: We will meet on Mondays and Wednesdays from 10:15AM to 11:45AM (location to be determined). We also will use Ed Discussion as an asynchronous Q&A platform (link can be found on Canvas).

Assignments and Assessments:

- Problem sets (10% total). There will be around six problem sets. Problem sets will be graded coarsely (\checkmark^+ , \checkmark , \checkmark^- , 0). The worst problem set score will be dropped.
- Exams (90% total): There will be three midterm exams during normal class time. Each midterm will count for 30% of the final course grade. The dates of the three midterms are to be determined.
- There is no final exam for this class.

Textbooks: There are no required textbooks for this class.

Course Policies: Courses taught in the Department of Economics are bound by a standardized set of department course policies that govern grading appeals, academic integrity, etc. Please see <https://economics.sas.upenn.edu/undergraduate/course-information/course-policies>.