

ECONOMICS 380.01
EXPERIMENTAL ECONOMICS
FALL 2020, TTH 2:00PM-3:20PM
PROFESSOR LISA R. ANDERSON

Due to the ongoing pandemic, details listed on this syllabus are subject to change. I will make every effort to notify you of any significant changes at least two weeks in advance.

Course Description

Experimental Economics is a relatively new field in which decision making is examined in a controlled laboratory environment. The resulting data are used to evaluate theories as well as to test and fine tune policies that could not easily be tested with naturally occurring data. The spectrum of applications for experimental research is broad and includes public economics, industrial organization and regulation, environmental economics, decision and game theory, and bargaining. This course surveys experimental research in many of these fields and provides a basic framework for designing and conducting experiments.

Useful Information

Office: Tyler Hall, Room 265
Office Phone: 221.2359
Office Hours: by appointment
E-mail: lisa.anderson@wm.edu
Internet Games Web Page: <http://veconlab.econ.virginia.edu/login.htm>

Important Dates

Last Day to Withdraw: October 12.
Midterm Exam: October 22.
Group Projects Begin on October 27.
Last Day of Class: November 13.
Final Exam Period (papers due, no exam): Wednesday, November 18 at 5 pm.

Required Reading

Markets, Games and Strategic Behavior: An Introduction to Experimental Economics, 2nd Edition, Charles Holt, Princeton University Press, ISBN: 9780321419316. Other readings will be posted on Blackboard.

Grades

Your grade for this course will come from class participation (10%), a midterm exam (30%), a group project (30%), and a course paper (30%). Class participation includes attending Zoom lectures and participating in class experiments. Details about the group project are attached to this syllabus.

All written assignments are due at the **beginning** of class on the due date. **Late assignments will not be accepted.** It is your responsibility to back up all files. Extensions on assignments will not be granted as a result of corrupted files, dead hard drives, stolen laptops, etc. There will be **no makeup exams**, no exceptions. Please do not tell me what grade you need in this class. If you have a goal to earn a certain grade in this class, you should choose behaviors (attending class, studying for exams, etc.) to help you achieve that goal.

Zoom Details

We will meet during our regular class time using Zoom. I will e-mail a Zoom link for each class meeting on Monday and Wednesday nights. Please join the Zoom session with your video on and your audio muted.

Accommodations

William & Mary accommodates students with disabilities in accordance with federal laws and university policy. Any student who feels they may need an accommodation based on the impact of a learning, psychiatric, physical, or chronic health diagnosis should contact Student Accessibility Services staff at 757-221-2512 or at sas@wm.edu to determine if accommodations are warranted and to obtain an official letter of accommodation. For more information, please see www.wm.edu/sas.

Honor Code

William & Mary has had an honor code since at least 1779. Academic integrity is at the heart of the university, and we all are responsible for upholding the ideals of honor and integrity. The student-led honor system is responsible for resolving any suspected violations of the Honor Code, and I will report all suspected instances of academic dishonesty to the honor system. The *Student Handbook* (www.wm.edu/studenthandbook) includes your responsibilities as a student. Your full participation and observance of the Honor Code is expected. To read the Honor Code, see www.wm.edu/honor.

Writing Resource Center

The Writing Resources Center, located on the first floor of Swem Library, is a free service provided to W&M students. Trained consultants offer individual assistance with writing, presentation, and other communication assignments across disciplines and at any stage, from generating ideas to polishing a final product. To make an appointment, visit the WRC webpage www.wm.edu/wrc. In my experience, it is very difficult to get an appointment during the last week of the semester, so plan ahead if you would like to use this great resource to improve your class paper.

Course Outline

- I. Introduction to Experimental Economics; **H**, Chapter 1
- II. Methodology, **H**, Chapter 13
- III. Markets
 - A. Price Discovery and Exclusion; **H**, Chapter 2
 - B. Monopoly, Cournot and Cross-Market Price Competition, Chapter 20
 - C. Market Power, Collusion and Price Competition; **H** Chapter 21
 - D. Predation; **CG** 9
 - E. Lemons Markets; **H** Chapter 23; **CG** 8
- IV. Game Theory
 - A. Some Simple Games; **H** Chapter 8; **CG** 1; **CG** 3
 - B. Bargaining; **H** Chapters 14
 - C. Trust, Reciprocity and Principal-Agent Games, **H**, Chapter 15
 - D. Public Choice
 - i. Voluntary Contributions; **H** Chapter 16; **CG** 6
 - ii. Volunteer's Dilemma; **H** Chapter 17
 - iii. Congestion; **H** Chapter 18
 - iv. Rent Seeking; **H** Chapter 12; **CG** 5
- V. Decision Theory

A. Risk Attitudes; **H** Chapter 3

B. Price Bubbles; **H** Chapter 24 **CG** 13

C. Bayes' Rule and Information Cascades; **H** Chapters 5 and 7; **CG** 10; **CG** 11

Key to Readings: **CG**; *Classroom Games Papers*; available through the Blackboard system.

H; Holt; *Markets, Games and Strategic Behavior*; available at the college bookstore.