

SYLLABUS

Economic Psychology

University year **2024-2025**

1. Information regarding the programme

1.1. Higher education institution	Babeş-Bolyai University
1.2. Faculty	Faculty of Psychology and Educational Sciences
1.3. Department	Department of Psychology
1.4. Field of study	Psychology - Cognitive Sciences
1.5. Study cycle	Undergraduate
1.6. Study programme/Qualification	Psychologist
1.7. Form of education	Full time

2. Information regarding the discipline

2.1. Name of the discipline		Economic psychology					Discipline code		PLE 1425		
2.2. Course coordinator					Senior assist. prof. Renata M. Heilman, PhD						
2.3. Seminar coordinator					Senior assist. prof. Renata M. Heilman, PhD						
2.4. Year of study		2	2.5. Semester		2	2.6. Type of evaluation		E	2.7. Discipline regime		SD

3. Total estimated time (hours/semester of didactic activities)

3.1. Hours per week	4	of which: 3.2 course	2	3.3 seminar/laboratory	2
3.4. Total hours in the curriculum	56	of which: 3.5 course	28	3.6 seminar/laborator	28
Time allotment for individual study (ID) and self-study activities (SA)					hours
Learning using manual, course support, bibliography, course notes (SA)					20
Additional documentation (in libraries, on electronic platforms, field documentation)					19
Preparation for seminars/labs, homework, papers, portfolios and essays					26
Tutorship					1
Evaluations					2
Other activities:					1
3.7. Total individual study hours	69				
3.8. Total hours per semester	125				
3.9. Number of ECTS credits	5				

4. Prerequisites (if necessary)

4.1. curriculum	<ul style="list-style-type: none">• Introduction to cognitive sciences• Cognitive psychology
4.2. competencies	-

5. Conditions (if necessary)

5.1. for the course	Room with at least 50 seats, computer and beamer / Online seminar on MS Teams platform.
5.2. for the seminar /lab activities	Room with at least 50 seats, computer and beamer / Online seminar on MS Teams platform.

6.1. Specific competencies acquired ¹

Professional/essential competencies	<p>Knowledge and understanding</p> <ul style="list-style-type: none">• Knowledge of the fundamental aspects related to the field of economic psychology and the types of decisional situations investigated• Characterization of the main study paradigms of economic psychology• Familiarization with the principles of fundamental research in economic psychology <p>Explanation and interpretation</p> <ul style="list-style-type: none">• Arguing various perspectives on the rationality of decision makers• Interpretation from the perspective of economic psychology of different decision-making phenomena <p>Instrumental - applicative</p> <ul style="list-style-type: none">• Learning the main techniques for investigating decision-making processes in the field of economic psychology• Developing the skills to develop a research project <p>Attitude</p> <ul style="list-style-type: none">• Manifestation of a positive and responsible attitude towards the scientific field• Cultivating a responsible attitude towards the research activity in the field• Interest in personal development in the field
Transversal competencies	<ul style="list-style-type: none">• Time management• Written and oral communication skills• Relationship and teamwork skills• Meta learning skills

6.2. Learning outcomes

Knowledge	<p>The student knows the fundamental aspects related to the field of economic psychology and the types of decisional situations investigated.</p> <p>The student knows the main study paradigms of economic psychology</p>
Skills	<p>The student is able to argue various perspectives on the rationality of decision makers</p> <p>The student is able to develop a research project within the field of economic psychology.</p>
Responsibility and autonomy:	<p>The student has the ability to work independently to obtain thorough knowledge in the field of economic psychology.</p> <p>The student has the ability to work independently to critically analyse empirical and theoretical papers in the field of economic psychology.</p>

7. Objectives of the discipline (outcome of the acquired competencies)

7.1 General objective of the discipline	<ul style="list-style-type: none">• Learning the main theories and scientific models of economic psychology and using them to understand and explain individual decisions
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¹ One can choose either competences or learning outcomes, or both. If only one option is chosen, the row related to the other option will be deleted, and the kept one will be numbered 6.

7.2 Specific objective of the discipline	<ul style="list-style-type: none"> • Knowledge and critical analysis of theories and empirical data from the literature to explain the phenomena studied in the field of economic psychology. • To acquaint students with the latest researches of economic behavior. • To develop an ability to analyze economic behavior from the psychological point of view. • To demonstrate the usefulness of theoretical models in psychological practice. • To develop and manifest an ethical attitude towards research in the field of economic psychology.
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8. Content

8.1 Course	Teaching methods	Remarks
1. Introduction to Economic Psychology Keywords: definitions; research areas; research methods	lecture, demonstrative example, synthesis of knowledge, inductive method	
2. Normative and descriptive models of decision-making Keywords: expected utility model	lecture, demonstrative example, synthesis of knowledge, inductive method	
3. Decision-making under uncertainty Keywords: descriptive theories	lecture, demonstrative example, synthesis of knowledge, inductive method	
4. Decision-making under uncertainty Keywords: experience-based theories	lecture, demonstrative example, synthesis of knowledge, inductive method	
5. Decision anomalies: reference dependent preferences Keywords: framing effects; the status-quo bias; endowment effect	lecture, demonstrative example, synthesis of knowledge, inductive method	
6. Different perspectives on rationality Keywords: bounded rationality	lecture, demonstrative example, synthesis of knowledge, inductive method	
7. Heuristics and biases 1 Keywords: availability, representativeness, anchoring	lecture, demonstrative example, synthesis of knowledge, inductive method	
8. Heuristics and biases 2 Keywords: ecological heuristics	lecture, demonstrative example, synthesis of knowledge, inductive method	
9. Emotions and decisions Keywords: immediate and anticipated emotions	lecture, demonstrative example, synthesis of knowledge, inductive method	
10. The psychology of money Keywords: the pain of paying; savings	lecture, demonstrative example, synthesis of knowledge, inductive method	
11. Happiness and decision-making Keywords: judgements and well-being; consumer choice	lecture, demonstrative example, synthesis of knowledge, inductive method	
12. Wrap-up – Final Q&A, discussions and debates	lecture, demonstrative example, synthesis of knowledge, inductive method	
Bibliography Mandatory references: <ul style="list-style-type: none"> • Baron, J. (2007). Normative theory of choice under uncertainty. In Baron, J. (ed.) Thinking and deciding, Cambridge University Press (p. 233-256) • Baron, J. (2012). The point of normative models in judgment and decision making. <i>Frontiers in psychology</i>, 3, 577. • Bazerman & Moore (2012). Judgment in managerial decision making. Wiley publishing house (chapter 2: Overconfidence) • Camerer, C. (1999). Behavioral economics: Reunifying psychology and economics. <i>Proceedings of the National Academy of Sciences</i>, 96(19), 10575-10577. • Cartwright, E. (2011). An introduction to behavioral economics. In Cartwright, E. (ed.). <i>Behavioral Economics</i>, Routledge Press (cap 1, pag 3-14) • Diener, E. (2000). Subjective well-being. The science of happiness and a proposal for a national index. <i>American psychologist</i>, 55, 34-43 		

- Gigerenzer, G. (2008). Bounded and Rational. In Gigerenzer, G. (ed.) *Rationality for Mortals: How People Cope with Uncertainty*, Oxford University Press (p. 3-19).
- Kahneman, D. & Tversky, A. (1979). Prospect Theory, An analysis of decision under risk. *Econometrica*, 47, 263-291
- Kahneman, D. & Tversky, A. (1984). Choices, values and frames. *American Psychologist*, 39, 341-350
- Kahneman, D. (2000). Experienced utility and objective happiness. A moment-based approach. In Kahneman & Tversky (Eds.). *Choices, Values and Frames*, Cambridge University Press (673-692)
- Kahneman, D., Knetsch, J.K., & Thaler, R.H. (1991). Anomalies – The endowment effect, loss aversion and status quo bias. *Journal of Economic Perspectives*, 5, 193-206.
- Layard, R (2007). Happiness and public policy: a challenge to the profession. In Frey & Stutzer (Eds.) *Economics and Psychology, A promising new cross-disciplinary field* (155-167)
- Loewenstein, G. & Lerner J.S. (2003). The role of affect in decision making, in Davidson, R., Goldsmith, H. & Scherer, K (eds.) *Handbook of Affective Science*, Oxford University Press (p. 619-642)
- Ranyard, R. (Ed.). (2017). *Economic psychology*. John Wiley & Sons.
- Shafir, E., Simonson, I., & Tversky, A. (1993). Reason-Based Choice, *Cognition*, 49, 11-36
- Slovic, Finucane, Peters & Macgregor (2006). The affect heuristic. In *The Construction of Preferences* (Ed. Lichtenstein & Slovic).
- Sunstein, C. R. (2017). Default rules are better than active choosing (often). *Trends in cognitive sciences*, 21(8), 600-606.
- Tversky, A. & Kahneman, D. (1974). Judgment under Uncertainty: Heuristics and Biases, *Science*, 185, 1124-1131
- Wilkinson, N. & Klaes, M. (2012), *An Introduction to Behavioral economics* (ch. 6 – Mental accounting, sections 6.1 – 6.4)

!!! Note: from the references mentioned above, only the chapters related to the topics taught in the course and seminar are mandatory

Optional references:

- Ariely, D., & Jones, S. (2008). *Predictably irrational*. New York, NY: Harper Audio.
- Baron, J. (2012). The point of normative models in judgment and decision making. *Frontiers in psychology*, 3, 577.
- Damasio, A. R. (1996). The somatic marker hypothesis and the possible functions of the prefrontal cortex. *Philosophical Transactions of the Royal Society of London. Series B: Biological Sciences*, 351(1346), 1413-1420.
- Dunn, B.D., Dalgleish, T., & Lawrence, A.D. (2006). The somatic marker hypothesis: a critical evaluation. *Neurosci Behav Rev*, 30, 239-271
- Goldstein, D. G. & Gigerenzer, G. (2002). Models of ecological rationality: The recognition heuristic. *Psychological Review*, 109, 75-90
- Kahneman, D. (2011). *Thinking, fast and slow*, Penguin Books
- Killingsworth, M. A., Kahneman, D., & Mellers, B. (2023). Income and emotional well-being: A conflict resolved. *PNAS*, 120(10), e2208661120.
- Loewenstein, Weber, Hsee, & Welch (2007). Risk as Feelings. In *Exotic preferences – Behavioral economics and Human Motivation*. (Ed. Loewenstein)
- Morewedge, C. K., & Gliblin, C. E. (2015). Explanations of the endowment effect: an integrative review. *Trends in cognitive sciences*, 19(6), 339-348.
- Thaler, R. H., & Sunstein, C. R. (2008) *Nudge: Improving decisions about health, wealth, and happiness*. Yale University Press, New Haven

8.2 Seminar / laboratory	Teaching methods	Remarks
1. Introduction to Economic Psychology Keywords: definitions; research areas; research methods	presentation, knowledge synthesis, conceptual clarification, group activities, inductive method, practical activities	
2. Rational choice and application on caritable donations Keywords: self-interest; omniscience; omnipotence	presentation, knowledge synthesis, conceptual clarification, group activities, inductive method, practical activities	
3. Applications of prospect theory Keywords: prospect theory	presentation, knowledge synthesis, conceptual clarification, group activities, inductive method, practical activities	
4. Individual differences in risk-taking: risk seeking vs risk averse	presentation, knowledge synthesis, conceptual clarification, group activities, inductive method, practical activities	

Keywords: individual differences in risk-taking		
5. Individual differences in framing effects Keywords: framing domain	presentation, knowledge synthesis, conceptual clarification, group activities, inductive method, practical activities	
6. Reason-based choice Keywords: pro and con arguments	presentation, knowledge synthesis, conceptual clarification, group activities, inductive method, practical activities	
7. Applications of heuristics and biases 1 Keywords: availability, representativeness, anchoring	presentation, knowledge synthesis, conceptual clarification, group activities, inductive method, practical activities	
8. Applications of heuristics and biases 2 Keywords: ecological heuristics	presentation, knowledge synthesis, conceptual clarification, group activities, inductive method, practical activities	
9. Individual differences in decisions Keywords: emotions; personality traits	presentation, knowledge synthesis, conceptual clarification, group activities, inductive method, practical activities	
10. Inter-temporal choices Keywords: delay gratification	presentation, knowledge synthesis, conceptual clarification, group activities, inductive method, practical activities	
11. Summary seminar – integration Keywords: synthesis, integration, recap	presentation, knowledge synthesis, conceptual clarification, group activities, inductive method, practical activities	
12. Students' group presentations	presentation, group activities, conversation	
Bibliography Mandatory references: <ul style="list-style-type: none"> • Baron, J. (2007). Normative theory of choice under uncertainty. In Baron, J. (ed.) Thinking and deciding, Cambridge University Press (p. 233-256) • Baron, J. (2012). The point of normative models in judgment and decision making. <i>Frontiers in psychology</i>, 3, 577. • Bazerman & Moore (2012). Judgment in managerial decision making. Wiley publishing house (chapter 2: Overconfidence) • Camerer, C. (1999). Behavioral economics: Reunifying psychology and economics. <i>Proceedings of the National Academy of Sciences</i>, 96(19), 10575-10577. • Cartwright, E. (2011). An introduction to behavioral economics. In Cartwright, E. (ed.). Behavioral Economics, Routledge Press (cap 1, pag 3-14) • Diener, E. (2000). Subjective well-being. The science of happiness and a proposal for a national index. <i>American psychologist</i>, 55, 34-43 • Gigerenzer, G. (2008). Bounded and Rational. In Gigerenzer, G. (ed.) Rationality for Mortals: How People Cope with Uncertainty, Oxford University Press (p. 3-19). • Kahneman, D. & Tversky, A. (1979). Prospect Theory, An analysis of decision under risk. <i>Econometrica</i>, 47, 263-291 • Kahneman, D. & Tversky, A. (1984). Choices, values and frames. <i>American Psychologist</i>, 39, 341-350 • Kahneman, D. (2000). Experienced utility and objective happiness. A moment-based approach. In Kahneman & Tversky (Eds.). Choices, Values and Frames, Cambridge University Press (673-692) • Kahneman, D., Knetsch, J.K., & Thaler, R.H. (1991). Anomalies – The endowment effect, loss aversion and status quo bias. <i>Journal of Economic Perspectives</i>, 5, 193-206. • Layard, R (2007). Happiness and public policy: a challenge to the profession. In Frey & Stutzer (Eds.) Economics and Psychology, A promising new cross-disciplinary field (155-167) • Loewenstein, G. & Lerner J.S. (2003). The role of affect in decision making, in Davidson, R., Goldsmith, H. & Scherer, K (eds.) Handbook of Affective Science, Oxford University Press (p. 619-642) • Ranyard, R. (Ed.). (2017). <i>Economic psychology</i>. John Wiley & Sons. • Shafir, E., Simonson, I., & Tversky, A. (1993). Reason-Based Choice, <i>Cognition</i>, 49, 11-36 • Slovic, Finucane, Peters & Macgregor (2006). The affect heuristic. In <i>The Construction of Preferences</i> (Ed. Lichtenstein & Slovic). • Sunstein, C. R. (2017). Default rules are better than active choosing (often). <i>Trends in cognitive sciences</i>, 21(8), 600-606. • Tversky, A. & Kahneman, D. (1974). Judgment under Uncertainty: Heuristics and Biases, <i>Science</i>, 185, 1124-1131 • Wilkinson, N. & Klaes, M. (2012), An Introduction to Behavioral economics (ch. 6 – Mental accounting, sections 6.1 – 6.4) 		

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9. Corroborating the content of the discipline with the expectations of the epistemic community, professional associations and representative employers within the field of the program

- The proposed course and seminar topics are central topics in fundamental and applied research in the fields of cognitive sciences, and their approach is based on the most recent results from the literature. The course also offers state of the art research skills that are transferable to any scientific and applied field of knowledge.

10. Evaluation

Activity type	10.1 Evaluation criteria	10.2 Evaluation methods	10.3 Percentage of final grade
10.4 Course		Written exam	45%
		2 quizzes	15%
10.5 Seminar/laboratory		Group project	20%
		Active participation	10%
10.6 Minimum standard of performance			
<p>The final grade consists of:</p> <ol style="list-style-type: none"> 1. score obtained in the written exam (up to 4.5 points) 2. score obtained for the 2 quizzes (up to 1.5 points) 3. group project (up to 2 points) 4. individual learning tasks during the semester (up to 1 point) <p>The simultaneous conditions for passing the Economic Psychology exam are:</p> <ul style="list-style-type: none"> • a minimum of 2 points for the written exam out of the 4.5 maximum possible points • a minimum 5 points from the final grade (combined score: project, learning tasks, and exam) 			

11. Labels ODD (Sustainable Development Goals)²

	General label for Sustainable Development							
								

Date:
03.03.2025

Signature of course coordinator

Lect. dr. Renata Heilman

Signature of seminar coordinator

Lect. dr. Renata Heilman

Date of approval:
05.03.2025

Signature of the head of department

Prof. Dr. Oana Benga

² Keep only the labels that, according to the [Procedure for applying ODD labels in the academic process](#), suit the discipline and delete the others, including the general one for *Sustainable Development* – if not applicable. If no label describes the discipline, delete them all and write „*Not applicable.*”.