



**ECO 3106**

## **Behavioral Economics**

Section: RVC

Internet/Fully Online

Fall Term 2025

**Course Time Zone | Eastern Time (ET). Course due dates are according to this time zone.**

### **Professor Information**

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Ece Teoman

**Roles:** Primary Instructor

**Email:** [eteoman@fiu.edu](mailto:eteoman@fiu.edu)

**Phone:** (305)348-1070

**Office Hours:** By Appointment.

**Office Location:** DM 307B

**Department or Academic Unit:** Department of Economics

### **Course Prerequisites**

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Course prerequisites, if any, are listed below.

Prerequisites: ECO 2023

## Course Description and Purpose

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This course explores the key concepts of behavioral economics, focusing on how psychological factors impact economic decision-making. We will study the fundamentals of behavioral economics, time preferences, and risk behavior through selected book chapters and complementary academic journal articles. The course will begin by challenging the traditional economic assumption of rational actors, introducing key concepts such as cognitive biases, heuristics, and prospect theory. We will explore how these behavioral insights impact markets, affect consumer choices, and can lead to systematic deviations from expected outcomes. By the end of the course, students will have a deeper understanding of how to integrate behavioral principles into economic analysis and decision-making processes.

## Student Learning Outcomes/Objectives

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Student learning outcomes allow faculty to assess the level of proficiency in content knowledge and skills that their students acquire in a course.

If the objective meets a special designation, you will see the code after the objective:

University Core Curriculum: UCC

Gordon Rule Writing: GRW

Global Learning: GL

Civic Literacy: CL

- Understand the foundational theories and concepts in behavioral economics.
- Analyze how insights from behavioral science affect economic decisions.
- Evaluate time-related decision-making processes and present bias.

- Examine risk preferences, probability judgment, and their implications for insurance.
- Explore various applications of behavioral economics to experimental economics, social interactions, and public policy.

## **Textbook and Course Materials**

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### **BEHAVIORAL ECONOMICS**

**Required/Recommended:** Required

**Authors:** Arthur O'Sullivan

**Publisher:** Oxford University Press

**Publication Date:** 03 June 2022

**Copyright Date:** 2022

**ISBN 10:** 0197515924

**ISBN 13:** 9780197515921

**Notes:** Print ISBN: 9780197515921 & E-book ISBN: 9780197515938

### **Panther Book Pack**

The Panther Book Pack rental program provides your required print and digital course materials at a flat rate of \$20 per undergraduate credit hour. When you registered for your classes this session, you were notified via email of the required course materials that are included in the Panther Book Pack.

Make sure to review the pricing for all materials across your classes this semester and compare the cost to the Panther Book Pack flat rate. If the Panther Book Pack is not your best option, you may opt out up to three days after the add/drop deadline. The deadline to opt back into the Panther Book Pack is also three days after the add/drop deadline.

If you do not opt out of the Panther Book Pack rental program, you will be charged \$20 per undergraduate credit hour for which you are registered and the course materials will

be reserved in your name. For more details and to learn how to access your course materials, visit [onestop.fiu.edu/bookpack](https://onestop.fiu.edu/bookpack).

## Course Organization

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The course is organized into 4 modules:

- Module 1 - Fundamentals of Behavioral Economics
- Module 2 - Time Preferences and Applications
- Module 3 - Risk Behavior and Applications

Each module has required readings (book chapters and papers) and optional readings (papers), as well as other supplementary materials assigned. Please check the syllabus regularly for updates.

You will have 6-8 homework assignments in total, so you should expect a homework every other week (35% of total grade).

There will be 2 exams and 2 quizzes:

- Exam 1 will cover Module 1-2 and Exam 2 will cover Module 3 (20% each, 40% of total grade).
- Similarly, Quiz 1 will cover Module 1-2 and Quiz 2 will cover Module 3 (5% each, 10% of total grade). Quizzes are designed to help you prepare for the exams and subsequently, they will have similar questions.

In addition, there will be hands-on activities and questions followed by reflection and discussions on Canvas Discussion Forums (15% of total grade).

## Expectations of this Course

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This is an online course, which means most (if not all) of the course work will be conducted online. Expectations for performance in an online course are the same as a traditional course. In fact, online courses require a degree of self-motivation, self-

discipline, and technology skills which can make these courses more demanding for some students.

### **Students are expected to:**

- **review the getting started** page located in the course modules;
- **introduce yourself to the class** during the first week by posting a self-introduction in the appropriate discussion;
- **take the practice quiz** to ensure that your computer is compatible with the learning management system, Canvas;
- **interact** online with instructor and peers;
- **review** and follow the course calendar and weekly outlines;
- **log in** to the course **3 times** per week;
- **respond** to discussions by the due date specified. **No late work will be accepted;**
- **respond** to **emails** within **2 days**;
- **submit** assignments by the corresponding deadline.

### **The instructor will:**

- log in to the course at least 3 times per week (Monday through Friday);
- respond to emails within 48 business hours (2 business days) - not including holidays or weekends;
- grade assignments/assessments within 7 business days of the assignment deadline.

### **Course Communication**

All announcements regarding the class (i.e., a change in the syllabus, tentative schedule, important dates, etc.) will be made through Canvas Inbox and Announcements. Check

out the Canvas Conversations Tutorial or Canvas Guide to learn how to communicate with your instructor and peers using Announcements, Discussions, and the Inbox. I will respond to all correspondences within 2 business days, except holidays and weekends.

### **Late Work Policy**

No late submissions will be accepted. Please plan on being able to submit with ample time to handle technical glitches. To make it absolutely clear, no late work will be accepted and due dates will not be extended. Please do not request due date extensions, as none will be given.

### **Make-up Policy**

Excused absences include illness, serious family emergencies, military obligation, severe weather conditions, religious holidays, and participation in official university activities such as music performances, athletic competition or debate. Absences from class for court-imposed legal obligations (e.g., jury duty or subpoena) must be excused. Other reasons also may be approved. If you miss an exam due to the above reasons, it is your responsibility to contact me as soon as possible to schedule a makeup exam.

## **Schedule of Topics**

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Disclaimer: This is a tentative outline of the course. It is subject to change with written notice. The syllabus is a statement of intent and serves as an implicit agreement between the instructor and the student. Every effort will be made to avoid changing the course schedule and syllabus, but the possibility exists that unforeseen circumstances will make it necessary to make changes. Please remember to check your email and Canvas often - at least 2-3 times per week.

### **Module 1 - Fundamentals of Behavioral Economics**

#### **Topics:**

- Introduction to Behavioral Economics and Key Microeconomic Concepts
- Insights from Behavioral Science: Social Preferences and Norms

- Cognitive Biases and Mental Shortcuts in Decision-Making
- Problems with Probabilities and Decision-Making Under Uncertainty
- Instinctive Urges vs. Thoughtful Deliberation in Dual-Process Thinking

### **Readings:**

- Textbook:
  - Chapter 1: Introduction & Key Concepts of Microeconomics
  - Chapter 2: Insights from Behavioral Science
- Journal Articles:
  - (Optional) Thaler, R. H. (1980). Toward a Positive Theory of Consumer Choice. *Journal of Economic Behavior & Organization*, 1(1), 39-60.
  - (Optional) Kahneman, D. (2003). Maps of Bounded Rationality: Psychology for Behavioral Economics. *American Economic Review*, 93(5), 1449-1475.

## **Module 2 - Time Preferences**

### **Topics:**

- Discounting and Present Bias in Decision-Making
- Time Inconsistency and Its Effects on Choice and Regret
- Estimating Discounting Parameters Through Economic Experiments
- Procrastination and Preproperation: Deciding When to Act
- Self-Awareness in Overcoming Present Bias and Cluelessness

### **Readings:**

- Textbook:
  - Chapter 9: Discounting and Present Bias

- Chapter 10: Time Preferences and Saving
- Chapter 11: When to Act
- Journal Articles:
  - O'Donoghue, T., & Rabin, M. (1999). Doing It Now or Later. American Economic Review, 89(1), 103-124.

### **Assignments for Module 1-2:**

- Homework assignments: Chapters 1-2-9-10-11 in the textbook
- Quiz 1: October 16-17 (5%)
- Exam 1: October 23-24 (20%)
  - Covers material from Module 1-2
  - Multiple-choice questions, short answers, problem solving, and essay questions
- Application-type assignments and related discussions on Canvas

## **Module 3 - Risk Behavior**

### **Topics:**

- Risk Preferences and the Foundations of Prospect Theory
- Asymmetry in the Influence of Loss and Gain
- Understanding Risk Aversion and Risk Neutrality
- Key Parameters in Prospect Theory and Experimental Evidence
- Probability Weighting and Problems with Probability
- Applications of Prospect Theory to Puzzles and Insurance Decisions



## Readings:

- Textbook:
  - Chapter 14: Loss versus Gain
  - Chapter 15: Risk Preferences and Prospect Theory
  - Chapter 17: Prospect Theory and Asset Markets
  - Chapter 18: Prospect Theory and Insurance
- Journal Articles:
  - No assigned articles, optional articles may be included later.

## **Assignments for Module 3-4:**

- Homework assignments: Chapters 14-15-17-18 in the textbook
- Quiz 2: December 4-5 (5%)
- Exam 2: Date TBA during Finals week (20%)
  - Covers material from Module 3
  - Multiple-choice questions, short answers, problem solving, and essay questions
- Application-type assignments and related discussions on Canvas

## **Assignments & Assessments**

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### **Homework assignments (35%)**

- End of chapter problems in the book for the assigned chapters

- Each student's lowest 2 homework assignments will be dropped at the end of the semester
- 9 assignments in total; after the lowest 2 are dropped, 7 assignments will count for the total grade (5% each)

## **Quizzes (10%)**

- Quizzes are designed to prepare students for the exams. Multiple-choice questions, short answers, problem solving, and essay questions.
- Quiz 1: Covers Module 1-2 content – 5%
- Quiz 2: Covers Module 3 content – 5%

## **Exams (40%)**

- Exams are not cumulative and they will feature the same type of questions as homework assignments and quizzes. In particular, the questions and problems in quizzes will be representative of the exams.
- Multiple-choice questions, short answers, problem solving, and essay questions.
- **Exams will be proctored through Honorlock.**
- Exam 1: Covers Module 1-2 Content – 20%
- Exam 2: Covers Module 3 Content – 20%

## **Other assignments and Discussions (15%)**

- Hands-on activities and questions followed by reflection and discussions on Canvas

### **Discussion Forums**

Keep in mind that your discussion forum postings will likely be seen by other members of the course. Care should be taken when determining what to post.

## Grading

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Course Requirements	Weight
Homework assignments	35%
Quiz 1	5%
Exam 1	20%
Quiz 2	5%
Exam 2	20%
Activities with reflection/discussions	15%
<b>Total</b>	<b>100%</b>

**Letter Grade Distribution Table**

Letter	Range %	Letter	Range %	Letter	Range %
A	96-100	B	83-86.99	C	70-76.99
A-	90-95.99	B-	80-82.99	D	60-69.99
B+	87-89.99	C+	77-79.99	F	59.99 or below

Note: There will be **no extra credit** of any kind offered to any student under any circumstances. Final scores and grades will **not** be rounded up.

**All final grades, including plus/minus grades will be given at the sole discretion of the professor.**

If you have any questions or concerns about your grade, please contact the instructor immediately. Please be proactive about your grades, and do not wait until the last minute.

## Other Course Materials and Open Educational Resources (OER)

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Other course materials will be available on Canvas.

- Academic Journal Articles: Selected articles corresponding to certain topics.
- Other materials: Supplementary content to enhance understanding, assigned as needed throughout the course.

## Course Communication

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Communication in this course will take place via the Canvas Inbox. Check out the [Canvas Conversations Tutorial](#) or [Canvas Guide](#) to learn how to communicate with your instructor and peers using Announcements, Discussions, and the Inbox. I will respond to all correspondences within 24 hours.

## Academic Integrity

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Florida International University is a community dedicated to generating and imparting knowledge through excellent teaching and research, the rigorous and respectful exchange of ideas, and community service. All students should respect the right of others to have an equitable opportunity to learn and honestly demonstrate the quality of their learning. Therefore, all students are expected to adhere to a standard of academic conduct, which demonstrates respect for themselves, their fellow students, and the University's educational mission. All students are deemed by the University to understand that if they are found responsible for academic misconduct, they will be subject to the Academic Misconduct procedures and sanctions, as outlined in the Student Conduct and Honor Code.

Academic Misconduct includes:

## **Cheating**

- The unauthorized use of any materials, information, study aids, or assistance from another person on any academic assignment or exercise unless explicitly authorized by the course Instructor;
- Assisting another student in the unauthorized use of any materials, information, or study aids, unless explicitly authorized by the Instructor; and
- Having a substitute complete any academic assignment or completing an academic assignment for someone else, either paid or unpaid;

## **Plagiarism**

- The deliberate use and appropriation of another work without any indication of the source and the representation of such work as the Student's own.
- Assisting another student in the deliberate use and appropriation of another's work without any indication of the source and the representation of such work as the student's own.

Learn more about [Student Conduct and Academic Integrity](#).

## **Policies & Resources**

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Before starting this course, please review the Policies & Resources Page in Canvas which includes comprehensive information on various University and Course Level Policies such as:

- University Policies
- Accessibility and Accommodations
- Online Etiquette
- Technical Requirements and Skills
- Computer & Digital Literacy Skills

- Course Technology Accessibility Statements and Privacy Policies
- Academic Integrity
- Copyright Statement
- Core Principles of This Course
- Nondiscrimination Statement
- Panthers Care & Counseling and Psychological Services (CAPS)
- Fair Use Policy

## Nondiscrimination Statement

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The **Office of Civil Rights Compliance and Accessibility (CRCA)** is responsible for ensuring that FIU maintains a workplace and learning environment free from discrimination, where current and prospective faculty, staff, and students are treated equitably. If any student, employee, or applicant has a sincere and reasonable belief that they have been discriminated against or harassed based on age, color, disability, marital status, ethnic or national origin, race, religion, retaliation, sex, or any other protected category, they can report their concerns to the CRCA team through [report.fiu.edu](https://report.fiu.edu).

## Copyright

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The following conduct is prohibited by the Student Conduct and Honor Code. A lack of familiarity with University policy is not a defense to a violation of this Code. Unless specifically noted, the intent is not a required element to establish a policy violation. The following conduct violation or any attempt to violate the Code will be used in charging all Students or Student Organizations;

Section 5 | Conduct Violations - g. Computer Misuse

- vii. Unauthorized distribution or downloading of copyrighted materials, including but not limited to, unauthorized peer-to-peer file sharing. This is a violation whether the user is using their own personal computer or the University's information technology system for unauthorized distributions.

Copyright Statement: The materials and content in this course are provided solely for student use during the course. Course materials may not be shared outside of the course or with any third party without the explicit permission of the instructor or content publisher. Visit FIU [Library's Copyright Lib Guide](#) to learn more about copyright law and restrictions.

Additional Resources:

- [Student Conduct and Honor Code](#)
- [Digital Millennium Copyright Act Policy](#)
- [FIU - Copyright Guidance for Students](#)
- [FIU Library's Copyright Lib Guide](#)

## Proctored Exams

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**Please note that the information contained in this section applies only if your course requires a proctored exam.**

Through a careful examination of this syllabus, it is the student's responsibility to determine whether this online course requires proctored exams. Please visit our [Student Proctored Exam Instructions](#) webpage for important information concerning proctored exams, proctoring centers, and important forms.

## Zoom Video Conference

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Zoom is a video conference tool that you can use to interact with your professor and fellow students by sharing screens, chatting, broadcasting live video/audio, and taking part in other interactive online activities.

Zoom meetings can be accessed via the Zoom link in the course navigation menu. Once you click on the Zoom link, it will route you to join the meeting for the respective class session. You will also be able to view upcoming meetings, previous meetings that you have already joined, and meeting recordings. Before joining an actual class session:

Reference the [Zoom Student Tutorials](#) to learn about the tool, how to access your meeting room, and share your screen.

Access the [Zoom Test Meeting Room](#) to test out the software before joining an actual session.

If you encounter any technical difficulties, please contact the [FIU Canvas Help Team](#). Please ensure you contact support immediately upon the issue occurring.