



APPLIES TO ACADEMIC YEAR 2014/2015

ELE 3758 Economic decisions, innovation and happiness

Programme

Responsible for the course

Atle Raa

Department

Department of Innovation and Economic Organisation

Term

According to study plan

ECTS Credits

7,5

Language of instruction

Norwegian

Introduction

The psychologist Daniel Kahneman won the Nobel Memorial Prize in Economics in 2002. He is known to have developed what is called prospect theory. Much of his research is summarized in the book Thinking, fast and slow. It is found today in almost any bookstore, and provides an easy, yet thorough overview of Kahneman's own work, as well as other contemporary research on how we think and make choices or decisions in matters of financial and other character in the community.

The aim of the course is to explain the consequences Kahneman's and other similar theories have on our views on what creates economic development and social welfare. One puts special emphasis on Kahneman's work, but also bring up other work that is related to this topic.

Learning outcome

Acquired Knowledge

After the course students should have:

- Established knowledge of what are the fundamental features of prospect theory.
- Acquired knowledge of assumptions about behavior that lies behind the actions of markets, including full and limited rationality and the role that economic and social incentives can play.
- Gained an understanding of how these modern theories provides a different approach to how we make economic decisions than those underlying the orthodox economic theory.
- Developed an understanding of the consequences this has for Entrepreneurship and Innovation
- Acquired knowledge of the ongoing debate about nudging, so it takes place in the U.S. and other countries
- Established knowledge of the discussion about the relationship between economic welfare and happiness

Acquired Skills

After completing the course students shall be able to:

- Discuss economic issues and consider what actions may be reasonable in light of Kahnemans perspectives.
- Assess and discuss what might be the strengths and weaknesses set out in Kahnemans theory.
- Explain how this theory has relevance for entrepreneurship and innovation
- Reflect on the relationship between economics and the nowadays highly publicized happiness research

Reflection

- Students will develop an awareness of the importance of economic institutions, economic organization and economic behavior of communities, businesses and individuals in the community.
- Students will develop the ability of using the theory and practical knowledge in combination to reflect on what are the implications for society, business and individuals of various forms of economic organization and human behavior in markets.

Prerequisites

No particular prerequisites.

Compulsory reading

Books:

Kahneman, Daniel. 2013. Tenke, fort og langsomt. Pax

Other:

Kompendium i ELE 3758 Økonomiske valg, innovasjon og lykke. Kompeniet vil bestå av enkelte kapitler fra

følgende to bøker:

Richard H. Thaler og Cass Sunstein. 2009. Nudge. Improving Decisions About Health, Wealth, and Happiness, London: Penguin books

Jonathan Alred. 2010. The Skeptical Economist. Revealing the Ethics Inside Economics. London: Earthscan

Recommended reading

Course outline

1. Kahnemans two systems of how we make decisions.
2. Consequences of using different heuristics in economic contexts.
3. The significance of different assumptions about behavior in terms of the economy, including in entrepreneurship and innovation
4. 'Econ' and 'humans' as personality types in society.
5. Decision architecture and nudging
6. Can happiness be measured? Economy and happiness.

Computer-based tools

No specified computer-based tools are required.

Learning process and workload

The course will be conducted through a combination of lectures and group exercises , and guidance in this regard.

Recommended workload for students:

Activity	Hours
Participation in lectures	36
Preparation for lecture / reading literature	51
Self-study and study groups	110
Gjennomføring av 3-timers eksamen	3
Total recommended use of hours	200

BI Online Courses

Supply Teacher will use It's learning to publish subject material , assignments and digital learning resources , and students are given the opportunity to communicate with your teacher and fellow students. It conducted intensive instruction in collections at the beginning of the semester prior to graduation . Online students are also offered a study guide . The study guide should be a supplement to the syllabus by helping with reading plans, relevant tasks , references and comments on the course syllabus.

Recommended workload:

Activity	Hours
Attendance at lectures (weekend sessions)	8
Preparation for lectures	13
Working with curriculum material, submitting assignments and tasks / activities on It 's Learning	176
Exam	3
Total recommended use of hours	200

Use of hours

36 hours lectures

6 hours Advis

3 hours Its learning

45 hours total

Examination

A three hour individual written examination concludes the course.

Examination code(s)

ELE 37581 Written exam, counts for 100 % to obtain final grade in ELE 3758 Economic decisions, innovation and happiness, 7.5 ECTS credits.

Examination support materials

No examination support materials allowed.

Re-sit examination

Re-sit examination is offered at next scheduled course.

Additional information