Graduate Experimental Economics (Economics 279),
Instructor: Muriel Niederle
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Office hours: by appointment (but feel free to make an appointment!)

Class webpage: coursework

There is no textbook, but a useful book to have is:


Other interesting books are:


There will also be supplementary readings, particularly as the course progresses.

This course will be an introduction to experimental economics, its methods, and some of the major subject areas that have been addressed by laboratory experiments. An effort will be made to concentrate on *series* of experiments, in order to see how experiments build on one another and allow researchers with different theoretical dispositions to narrow the range of potential disagreement.
The following is a rough guide to the topics that will be discussed in the quarter—it is subject to revision as we see how the class progresses (some topics may take more or less than one lecture).

Methods and Introduction:

Lecture 1: Behavioral Preferences, Eliciting Valuations

Endowment Effect
Lecture 2 & 3 Behavioral Preferences


See also

Papers that came up through discussion in class:

An experiment on commitment:
- Burger, Nick, Gary Charness and John Lynham Three Field Experiments on Studying and Procrastination, working paper.

Prospect Theory

• Ralph Hertwig, Greg Barron, Elke U. Weber, and Ido Erev, in "Decisions from Experience and the Effect of Rare Events in Risky Choices." *Psychological Science* 15, 2004

**Lecture 3&4: Incentives**

• * Gneezy, U., and A. Rustichini "Pay Enough or Don't Pay At All" *Quarterly Journal of Economics* August 2000, 791-810.

**Lecture 4: Coordination games**


**Lecture 5: Guessing Game**

From the in class Discussion


Lecture 5: Nash Bargaining Games


Lecture 6: Oct 7: Guest Lecture: Charles Sprenger

- Jim Andreoni and Charles Sprenger, “Estimating Time Preferences with Convex Budgets”
- Jim Andreoni and Charles Sprenger, “Risk Preferences Are Not Time Preferences”

Lecture 7: Sequential Bargaining Games and Self-Serving Bias

- Babcock, Loewenstein, Isacharoff and Camerer, 1995, “Self-Serving Bias and Bargaining Impasse” AER ’95
Lecture 2: Prospect Theory and Applications, Guessing Games: Individual Rationality


Lecture 7: Trust Game, Best Shot Game


Lecture 8: Discrimination


Lecture 9: Market Experiments:

- Chamberlin, Edward H. [1948], An experimental imperfect market,” Journal of Political Economy, 56, 95-108,
Grading:

The major class assignment will be to design an experiment. Students registered for a grade should have a subject area by the middle of the quarter, and should plan to meet with me several times in the second half of the quarter to discuss the development of a detailed experimental design.

I am prepared to entertain designs put together by a pair of students.

Some class time near the end may be devoted to student presentations.

A quick note about my philosophy of teaching/learning, and how to get the most out of this class.

This class consists of three chief parts:

   In class lectures, discussions, and demonstrations.
   Readings and homework’s about them
   Your experimental design (and the out of class discussions with me that will be part of that).

I’m going to try to make the three parts complements rather than substitutes.

In class, I’m going to try to give you a feel for design issues that may not be clear from the readings, even from reading the original papers. I’m not going to try to simply review as many experiments as possible in class—that’s what the Handbook chapters are for. Read them, to get a broad overview. The individual papers that will be assigned will help us focus on specific design issues.

As the quarter progresses, you will be better able to start to think about questions on which you might want to do an experiment, and how it might be designed. Let me know when you’re ready to make an appointment to talk about it. Everyone should make an appointment with me well before the quarter ends!