Behavioural Economics (BUSI-2700)

Course Syllabus — 5-Day Intensive, Spring 2025–26

Instructor: James Magnus-Johnston, PhD (ABD) McGill University; MPhil, Cambridge University, Double BA, University of Winnipeg

Contact: Teams or jmagnus-johnston@cmu.ca / **Office**: D290 (DeFehr Hall, North Side)

Lecture times: April 27–May 1, 2026, M–F, 9 AM – 4 PM / **Office hours**: By appointment

Exam: N/A — assessment is through Field Notes, lab reports, and reflective essay

Last date for voluntary withdrawal without academic penalty: May 11, 12 AM

Materials/announcements will be posted at agoraacademy.io

Course Description

How do emotions, biases, and social influences shape the way we innovate, invest, and govern? Why do humans so often make irrational, even counterproductive, decisions? This course explores the intersection of psychology and economics, examining deviations from traditional economic assumptions of rational decision-making. Through a mix of theory, experiments, and real-world applications, you'll discover how cognitive biases, mental shortcuts, and behavioural patterns drive decisions in everyday life. We will critically analyze models of markets and human behaviour, compare them with classical theories of economics and governance, and apply insights to issues such as consumer behavior, public policy, sustainability, and market dynamics.

Prerequisite(s): BUSI-1000 or ECON-1010.

Common Curriculum Requirement(s): Ways of Knowing II.

Objectives

By the end of this course, students will be able to:

- Identify the core heuristics and biases that shape individual decision-making, and explain how they depart from standard rational choice models
- Analyse how social preferences, fairness norms, and strategic interaction produce outcomes that purely self-interested models cannot predict
- Evaluate how individual biases aggregate into market-level phenomena, including asset bubbles and coordination failures
- Apply choice architecture and nudge principles to real-world policy and institutional design challenges

- Critically assess the ethical implications of behavioural interventions, including questions of paternalism, autonomy, and manipulation

Required Textbook(s)

Kahneman, Daniel (2011). *Thinking, Fast and Slow.* Farrar, Straus and Giroux. (Selected chapters)

Thaler, Richard H., and Cass R. Sunstein (2008). *Nudge: Improving Decisions about Health, Wealth, and Happiness.* Penguin. (Selected chapters)

Ariely, Dan (2008). *Predictably Irrational.* HarperCollins. (Selected chapters)

Supplementary readings available at agoraacademy.io/becon

Design Philosophy

Experience first, theory second. Every concept is introduced through a live experiment. Students discover their own biases before reading about them. Readings are short, vivid, and completed in-room during dedicated reading blocks. Field Notes are written in-room before students leave each day.

Platforms

MobLab and **VECONLAB** are used to run all ten experiments. Both are browser-based; students need only a laptop or tablet. The instructor will create all experiment sessions in advance and test connectivity in the room on the morning of Day 1. **VisibleAI** is used for Assignments.

Course Requirements and Due Dates

Assignment Summary

Assignment	Value	Due Date
Field Notes (daily synthesis entries, 5 total)	25%	End of each day (in-room)
Participation & engagement	20%	Ongoing
Experiment Lab Reports (2 selected)	20%	May 8, 2026
Reflective Essay (2,000–2,500 words)	25%	May 15, 2026
Peer Discussion Contributions	10%	Ongoing

Assignment Descriptions

Field Notes

Value: 25% / **Due:** End of each day (written in-room, 3:30–4:00 PM)

Description: At the end of each day, students will write a synthesis entry (300–500 words) responding to the day's reflection prompt. The cumulative set of five entries forms a learning journal that documents your evolving understanding of behavioural economics. Submit through Visible AI.

Participation & Engagement

Value: 20% / **Due:** Ongoing

Description: Active participation in experiment debriefs, reading discussions, and synthesis conversations. Quality and thoughtfulness of contributions matter more than volume. The instructor will take informal notes throughout the course. Please bear this in mind if you're routinely on screens or phones during discussion.

Experiment Lab Reports

Value: 20% / **Due:** May 8, 2026 (one week after intensive)

Description: Choose any two experiments from the course. For each, write a brief lab report (500–750 words) that describes the experimental design, your own results, how they compare to theoretical predictions, and one real-world application. Submit via Populi.

Reflective Essay

Value: 25% / **Due:** May 15, 2026 (two weeks after intensive)

Description: A final essay (2,000–2,500 words) that synthesises your experience across all five days. Choose one of the following prompts: (a) Select a real-world policy or institutional design and propose a behavioural intervention, drawing on at least three experiments from the course. (b) Critically evaluate the "nudge" approach: under what conditions is it effective, and where does it fail or raise ethical concerns? Submit through Visible AI.

Peer Discussion Contributions

Value: 10% / **Due:** Ongoing

Description: Throughout the intensive, students will engage in structured peer discussion during debrief sessions. Contributions are assessed on the quality of engagement with classmates' ideas, the ability to connect experimental results to broader concepts, and constructive analytical thinking.

Submission procedures: Field Notes and the Reflective Essay are submitted through Visible AI. Lab Reports are submitted via Populi.

Late submission policy: Given the compressed format, Field Notes must be completed in-room each day. For post-intensive assignments (Lab Reports, Reflective Essay), late submissions will be penalised at 5% per day unless an extension is arranged in advance with the instructor.

NOTE: Grades are not final until vetted and approved by the Dean's Office.

Daily Reflection Prompts

Day 1: Think of a decision you made recently that felt rational at the time. In light of today's experiments, what heuristics or biases might have been at work?

Day 2: Identify a default in your life that you've never actively chosen but that significantly shapes your behaviour. What would it take for you to change it, and why haven't you?

Day 3: When is it rational to reject a perfectly good offer? After today's experiments, how would you revise the standard economic assumption that people maximise material self-interest?

Day 4: Describe a situation where your future self would disagree with a choice your present self is making. What does this tension reveal about how we should think about "rational" planning?

Day 5: If you could redesign one institution, market, or policy using what you've learned this week, what would it be and why? Where would you draw the line between nudging and manipulation?

Stylistic Requirements

CMU has adopted the following as its standard guide for all academic writing:

Hacker, Diana. *A Pocket Style Manual.* Ninth edition. Macmillan Learning, 2021.

Any recognised citation style (APA, Chicago, MLA) is acceptable provided it is used consistently throughout the assignment.

Continuity Plan

Individual students: what to do if you can't come to class

Given the compressed format, missing a full day is equivalent to missing multiple weeks of a regular course. If you cannot attend, please notify the instructor as soon as possible via Teams or email. Arrangements will be made on a case-by-case basis, which may include asynchronous make-up work for missed experiments and readings.

What happens if the instructor can't come to class

If the instructor is unable to attend, students will be notified via Teams and a Populi announcement. Depending on the nature of the absence, the day may be rescheduled, or asynchronous activities (readings, case study analysis) will be provided.

Academic Integrity

ALL sources in ALL student writing must be appropriately referenced. Plagiarism is a serious matter. Students should be aware of CMU Academic Policies, particularly those regarding academic misconduct (plagiarism and cheating), which apply to all University courses. These are detailed on

CMU's website and in the CMU Calendar.

For more information on CMU policies regarding grades, academic misconduct, appeals, and other matters, please see CMU's Academic Calendar.

Student Use of AI

This course uses Visible AI to help you develop effective AI collaboration skills while maintaining academic integrity. Field Notes and the Reflective Essay must be submitted through Visible AI, which allows the instructor to see how you're working with AI tools. You're encouraged to use AI as a thinking partner, but you must understand and be able to explain every part of your work. The goal is to learn how to use AI responsibly in professional contexts while developing your own voice and critical thinking.

Citing AI use: Citations should include at least the name of the tool used and the reason for its use.

Accessibility

CMU strives to provide a fair and supportive learning environment for academically qualified students with disabilities. If you are eligible for these services or have questions about becoming eligible, please contact Sandra Loeppky, Coordinator of Accessibility Programs at sloeppky@cmu.ca or 204.487.3300 x.340.

In recognition of individuals with asthma, allergies and severe environmental/chemical sensitivities, CMU is striving to become a scent-free campus. Students, staff and guests are asked to refrain from wearing fragrances and scented personal care products at CMU. This includes perfumes, colognes, aftershave and scented hair products. Your cooperation is greatly appreciated by those affected.

CMU Campus Counsellors/Support Services

University students face many challenges and at times may benefit from having a trained professional to talk to. There are qualified counsellors at CMU who volunteer their services free of charge to students on the CMU campus. Students wishing to book an appointment with a counsellor can email counselling@cmu.ca. Confidentiality is always maintained. More information about CMU Counselling Services and Mental Health Resources can be found on the Student Hub or by contacting Danielle Morton (dmorton@cmu.ca), Director of Student Community Life.

Counselling office: C366 (north side)

Cost: Free for CMU students

Elder-in-Residence

CMU's Indigenous Elder in Residence is available to meet with any student who would like to have a conversation. If you'd like to meet with him one-on-one, you can reach out to him directly to set up a time. See the Student Hub for more details on when the Elder is available and how to book an appointment.

Grade Scale

Letter Grade	Percentage	Grade Points	Descriptor
A+	90–100	4.5	Exceptional
A	85–89	4.25	Excellent
A-	80–84	4.0	Great
B+	77–79	3.5	Very Good
B	73–76	3.25	Good
B-	70–72	3.0	Satisfactory
C+	67–69	2.5	Competent
C	63–66	2.25	Acceptable
C-	60–62	2.0	Adequate
D	50–59	1	Marginal
F	0–49	0	Failure

An "excellent" assignment (A) would display: 1. Original thinking and a superior grasp of the material. 2. A highly developed capacity for critical evaluation, synthesis, and creativity. 3. Appropriate descriptions and quotations. 4. Organizing and subordinating information well; writing and/or speaking clearly. 5. The use of research sources using any recognised style format.

Schedule of Topics and Readings

Five-Day Arc

Day	Theme	Experiments
1	Foundations: How We Actually Decide	Anchoring Effect, Prospect Theory Gambles
2	Ownership, Endowment, and the Status Quo	Endowment Effect (mugs), Default Effect
3	Social Preferences and Fairness	Ultimatum Game, Dictator Game Variations
4	Time, Temptation, and Cooperation	Hyperbolic Discounting, Public Goods Game
5	Markets, Bubbles, and Policy	Asset Market Bubble (Vernon Smith), Beauty Contest Game (Keynes)

Daily Schedule (Guideline)

Each day follows the same rhythm. Two experiments, two debriefs, a reading block, a case study, a synthesis discussion, and protected writing time. Mornings are denser, afternoons lighter, and no essential work happens outside the room.

Time	Activity
9:00 – 9:20	Opening & Framing
9:20 – 10:15	Experiment 1 — Live Run
10:15 – 10:45	Debrief 1 — Results & Discussion
10:45 – 11:00	**Break**
11:00 – 11:50	Reading Block
11:50 – 12:00	Preview of Afternoon
12:00 – 1:00	**Lunch**
1:00 – 1:45	Experiment 2 — Live Run
1:45 – 2:15	Debrief 2 — Results & Discussion
2:15 – 2:30	**Break**
2:30 – 3:00	Case Study
3:00 – 3:30	Synthesis Discussion
3:30 – 4:00	Field Notes Entry