

**HACE 4900/6900—Behavioral Economics & Financial Planning for Families  
Summer 2013**

**Professor:** Swarn Chatterjee

**Office:** HDRC House B, Room#106

**Class Time:** MTWRF 9:30am –12:15pm

**Place:** Dawson 101

**Office Hours:** TTH 1:00 –3:00pm or by appt.

**Phone:** 706-542-4722

**E-mail:** [swarn@uga.edu](mailto:swarn@uga.edu)

**Reference TEXTS/MATERIALS:**

*Beyond Greed and Fear: Understanding Behavioral Finance and the Psychology of Investing*, by Hersh Shefrin. New York, NY: Oxford University Press, 2002.

*Inside the Investor's Brain: The Power of Mind over Money*. By Richard L. Peterson. Hoboken, NJ: John Wiley & Sons, 2007.

**PREREQUISITE:**

Prerequisite or corequisite: As required by HACE

**COURSE DESCRIPTION:**

This course focuses on the financial decision making and personal financial planning of households from the perspective of behavioral economics. Both traditional and behavioral economic models of household financial decision making will be applied to examine how consumers manage or mismanage their finances. Students in this class will explore these issues through assigned readings, case studies, class discussion, exams, class and homework assignments.

**EXPECTED LEARNING OUTCOMES:**

Upon completion of this course, students should be able to do the following:

- Develop an understanding of the emerging field of behavioral economics
- Learn how behavioral economics can be applied to improve the financial decision making process of households
- Understand the current applications of behavioral economics in the public and private sector policy formation decisions
- Evaluate and understand the common cognitive errors that individuals make using the behavioral economic principles learned in class

Methods of determining mastery of the Expected Learning Outcomes are described in the Assignments and Exams sections below.

**ATTENDANCE/PARTICIPATION:**

Regular class attendance is a vital element in this course. Your attendance is not only important for your understanding of class material, but also for the benefit of the class as a whole. If there is a need to curve the final grades, I will consider attendance and class participation. All quizzes and assignments will not be scheduled; rather they will be given on random days throughout the semester. **Given the difficulty of this material, you will NOT pass this class without regular reading (prior to class), class attendance, and participation.**

## **TEACHING PROCEDURES:**

The class will be conducted in a lecture/discussion format. Be prepared to discuss and ask questions about the material assigned for each class period. This will require that you read the material prior to the class period during which it will be discussed. Although many of the issues covered in the readings will be discussed in class, all the areas covered in the readings will not be part of class discussion. The nature of this course encourages an interactive forum, and everyone has something valuable to contribute. Disruptive or rude behavior will not be tolerated.

## **EXAMS:**

There will be one comprehensive final consisting of both objective and short essay questions. You will be responsible for information from class discussion, and required readings. There will be no "cheat sheets" allowed during the exams unless otherwise noted by the instructor. No makeup exams will be given unless for the university allowed excused absence. The University considers an excused absence one in which the student is unable to attend class due to the fact that she or he was representing the University in an official capacity (i.e., athletic competition, student government official testifying before a state legislative body, etc.) For an excused absence, the make-up exam will be administered prior to the scheduled exam. If you need to miss an exam for an excused absence let me know in advance so we can make arrangements.

## **ASSIGNMENTS/QUIZZES:**

You will receive assignments, case projects and quizzes during the semester. These will include text questions and/or supplemental activities. There will be no make ups for quizzes and assignments.

## **PARTICIPATION:**

This course is based on the belief that mastery of the subject matter occurs through taking an active role in the learning process. Students are expected to attend class regularly and punctually. Lectures will be most beneficial when you complete assigned readings *before* topics are discussed in class.

## **GRADING INFORMATION:**

	<b>POINT VALUE</b>	<b>DUE DATE</b>
Assignments/quizzes	100	Continuous
Projects/Case studies	100	As assigned
Exam	<u>100</u>	<i>June 5<sup>th</sup> (9:30am-12:15pm)</i>
<b>TOTAL POINTS</b>	<b>300</b>	

Final Grades will be determined by the following schedule:

A:	93% – 100%
A-:	90%– 92.9%
B+:	87% – 89.9 %
B:	83% – 86.9 %
B-:	80% – 82.9 %
C+:	77% – 79.9 %
C:	73% – 76.9 %
C-:	70% – 72.9 %
D:	60% – 69.9 %
F:	0% - 59.9 %

Grades of "I" (incomplete) will not be given to students who merely do not come to class, have failed to satisfactorily complete the course, or who beg, bother, or otherwise pester this instructor. Refer to the University's policy regarding incompletes for further information.

Be reminded that a C- does not meet the requirement to earn a C in the course.

**LATE ADD POLICY:**

Late adds for this course will not be approved except in exceptional circumstances.

**ACADEMIC INTEGRITY/PLAGERISM:**

All academic work must meet the standards contained in A Culture of Honesty: Policies and Procedures on Academic Honest. Students are responsible for informing themselves about those standards and for observing the University Honor Code. Plagiarism occurs when a student submits work that is not his or her own. This includes copying from printed materials, websites, or from other people. All students are expected to turn in work that has been completed individually, unless otherwise informed by the instructor. Any assignment containing plagiarized material will automatically be graded as zero.

**ADA:**

Students with disabilities who require reasonable accommodations in order to participate in course activities or meet course requirements should contact the instructor

**CIVILITY IN THE CLASSROOM:**

Students are expected to assist in maintaining a classroom environment that is conducive to learning. In order to assure that all students have an opportunity to gain from time spent in class, students are prohibited from using cellular phones or beepers, making offensive remarks, chatting, reading newspapers, sleeping, or engaging in any other form of distraction. Inappropriate behavior in the classroom shall result in “minimally” a request to leave class.

**POLICY ON LATE WORK:**

An assignment is considered late if it is not received in class at the beginning of the class period of the due date. Late work WILL NOT BE ACCEPTED without a university excused absence as defined by **Section: 4.06 Class Attendance**. Note: keep a copy of your work - this protects you in the event of questions about missing assignments.

**SECTION: 4.06 CLASS ATTENDANCE:**

University excused absences include and are limited to:

**4.06-2 Religious Holidays Attendance Policy**

**4.06-3 Voting on Election Day**

**4.06-4 Certification of Absence from Class for Medical Reasons**

**4.06-5 Air Force ROTC Commitment and Summer Break**

**810 NUMBER:**

The 6 digits on your UGACard beginning with 810 will now be used on all classroom assignments, including exams using Scantron sheets. You MUST know this number on exam day and any other day that it might be used for assignments.

**COURSE WITHDRAWAL:**

If you withdraw before the midpoint, and you are failing the course, you may receive a WF in the course. A WF counts in your grade point average and still stands when you retake the course. If you withdraw after the midpoint, you will receive a WF even if you are passing the course. Exceptions are made only upon documentation of a hardship from the Office of the Associate Dean for Student Support.

**COURSE OUTLINE:**

1. Introduction to Behavioral Economics
2. Procrastination & Self-control
3. Risk Tolerance
4. Probabilistic Judgment
5. The Cost of Ownership
6. Time Preference & Irrational Behavior
7. The application of Game Theory in household financial decision making
8. Ethics & Dishonesty in Financial Markets

**NOTE: THE COURSE SYLLABUS IS A GENERAL PLAN FOR THE COURSE. DEVIATIONS ANNOUNCED TO THE CLASS BY THE INSTRUCTOR MAY BE NECESSARY**

COURSE: \_\_\_\_\_

INSTRUCTOR: \_\_\_\_\_

NAME: \_\_\_\_\_

I have received, read and understand this syllabus as presented by the instructor and am clear as to the requirements and effort that will be required to succeed in this course.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date