

City University of Hong Kong
Course Syllabus

offered by Department of Economics and Finance
with effect from Semester A 2024/25

Part I Course Overview

Course Title:	Experimental Economics
Course Code:	EF5403
Course Duration:	1 semester
Credit Units:	3
Level:	P5
Medium of Instruction:	English
Medium of Assessment:	English
Prerequisites: <i>(Course Code and Title)</i>	EF5471 Advanced Microeconomics (for taught postgraduate students) EF8070 Advanced Microeconomics (for research degree students)
Precursors: <i>(Course Code and Title)</i>	Some knowledge of game theory and statistics
Equivalent Courses: <i>(Course Code and Title)</i>	Nil
Exclusive Courses: <i>(Course Code and Title)</i>	Nil

Part II Course Details

1. Abstract

This course will introduce the basic principles of controlled experiments in economics including the design and conduct of experiments as well as data analysis and reporting of results. A discussion of recent developments in the field of laboratory experiments will be presented, with a particular emphasis on decision theory, game theory, and asset markets. Furthermore, the course aims to develop a set of critical professional skills, including critical evaluation of others' research, presentation, conception, and development of new ideas based on the understanding of current research.

2. Course Intended Learning Outcomes (CILOs)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs	Weighting (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	A2	A3
1.	Demonstrate an understanding of the literature.	60%	√		
2.	Demonstrate the ability to evaluate others' work.	10%	√		
3.	Identify a research question where experimental methodology could be applied.	10%	√	√	√
4.	Design an experiment to tackle the research questions proposed.	10%	√	√	√
5.	Demonstrate adequate writing skill	10%	√	√	
		100%			

A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

3. Learning and Teaching Activities (LTAs)

(LTAs designed to facilitate students' achievement of the CILOs.)

LTA	Brief Description	CILO No.					Hours/week (if applicable)
		1	2	3	4	5	
Lectures, in-class experiments	Students will learn the methodology of laboratory experiments and the relevant literature based on the most popular topics in the field.	√					
Reading assignment	Students will engage in reading assignments to demonstrate the ability to evaluate others' work.		√				
Research	Students will engage in research activities to develop new research ideas and specific research questions.			√	√	√	

4. Assessment Tasks/Activities (ATs)

(ATs are designed to assess how well the students achieve the CILOs.)

Assessment Tasks/Activities	CILO No.					Weighting	Remarks
	1	2	3	4	5		
Continuous Assessment: 60%							
Participation in in-class activities	√					10%	
Assignments	√	√				20%	
Term paper			√	√	√	30%	
Examination: 40% (duration: 3 hours, if applicable)							
Examination	√	√				40%	
						100%	

5. Assessment Rubrics

(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)

Applicable to students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
1. Participation in in-class activities	Demonstrate the understanding of the experiments concerned	High	Significant	Moderate	Basic	Not even reaching marginal levels
2. Assignments	Demonstrate the understanding of the topics where experiments have been mostly applied and critically evaluate the experimental literature					
3. Term paper	Demonstrate the capability of applying the experimental methodology to study a specific research question					
4. Examination	Demonstrate the understanding of the course materials as well as the capability of applying them.					

Applicable to students admitted from Semester A 2022/23 to Summer Term 2024

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B)	Marginal (B-, C+, C)	Failure (F)
1. Participation in in-class activities	Demonstrate the understanding of the experiments concerned	High	Significant	Basic	Not even reaching marginal levels
2. Assignments	Demonstrate the understanding of the topics where experiments have been mostly applied and critically evaluate the experimental literature				
3. Term paper	Demonstrate the capability of applying the experimental methodology to study a specific research question				
4. Examination	Demonstrate the understanding of the course materials as well as the capability of applying them.				

Part III Other Information (more details can be provided separately in the teaching plan)

1. Keyword Syllabus

(An indication of the key topics of the course.)

Experimental methods: introduction, principles of economics experiments, design, conduct, data analysis, reporting results

Risk and decision making, Ultimatum bargaining, Trust games, Public goods games, Other regarding preferences, Auctions, Industrial Organization: Price competition, Quantity competition, Collusion, Experimental asset markets: Rational expectations, Price bubbles, Double auctions, Call markets, Information acquisition, Social communication

2. Reading List

2.1 Compulsory Readings

(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)

1.	Friedman, D., and S. Sunder (1994), <i>Experimental Methods: A Primer for Economists</i> , Cambridge University Press.
2.	Holt, Charles (2006), <i>Markets, Games, and Strategic Behavior</i> , Addison Wesley.
3.	Kagel, J. H., and A. H. Roth (1995), <i>The Handbook of Experimental Economics</i> , Princeton University Press.
4.	Kagel, J. H., and A. H. Roth (2016), <i>The Handbook of Experimental Economics Volume 2</i> , Princeton University Press.

2.2 Additional Readings

(Additional references for students to learn to expand their knowledge about the subject.)

Camerer, C. (2003), *Behavioral Game Theory: Experiments on Strategic Interaction*, Princeton University Press.

Davis, D. D., and C. A. Holt (1993), *Experimental Economics*, Princeton University Press.