

**City University of Hong Kong
Course Syllabus**

**offered by Department of Economics and Finance
with effect from Semester A 2017/18**

Part I Course Overview

Course Title:	Experimental Methods in Economics/Finance
Course Code:	EF4485
Course Duration:	1 Semester
Credit Units:	3
Level:	B4
Proposed Area: <i>(for GE courses only)</i>	<input type="checkbox"/> Arts and Humanities <input type="checkbox"/> Study of Societies, Social and Business Organisations <input type="checkbox"/> Science and Technology
Medium of Instruction:	English
Medium of Assessment:	English
Prerequisites: <i>(Course Code and Title)</i>	EF3440 Microeconomics for Business Strategy OR EF3442 Intermediate Microeconomics
Precursors: <i>(Course Code and Title)</i>	Nil
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 aims to provide students with:

- A solid understanding of the main principles and methodology of experimental economics/finance through discovery-based teaching and learning.
- A review of a selection of major subject areas that have been addressed by laboratory experiments, so as to familiarize students with the design of these typical experiments and their key results.
- Applied knowledge and techniques to design and conduct laboratory experiments in economics and finance.
- A guide to critically think about economics from the perspective of an empirical science.

Key topics include the role of information in price formation in markets, auctions, role of fairness norms in bargaining, common resource utilization, and issues of coordinating behaviour. Students will get the chance to not only participate in many classroom-based experiments, but also design and carry out their own experiments after mastering the main principles of experimental economics.

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.	interpret the principles and methodology of experimental economics & finance	10%	√	√	√
2.	explore and explain the rationale of the techniques of designing and conducting experiments in economics and finance	20%	√	√	√
3.	comprehend the design of a range of experiments in selected areas, such as market institutions, bargaining, coordination, public goods, information, asset markets and auctions	20%	√	√	√
4.	build the methodological connections between theory and experimental findings	20%	√	√	√
5.	design and conduct simple laboratory experiments in economics and finance	30%	√	√	√
		100%			

* If weighting is assigned to CILOs, they should add up to 100%.

[#] Please specify the alignment of CILOs to the Gateway Education Programme Intended Learning outcomes (PILOs) in Section A of Annex.

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 self-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. Teaching and Learning Activities (TLAs)

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

TLA	Brief Description	CILO No.					Hours/week (if applicable)
		1	2	3	4	5	
Lectures		√	√	√	√	√	3 hours/week
Group project and presentation	This allows students to apply theories and experiment design techniques in the real world.					√	

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%							
Experiment research project and presentation					√	40%	Design and conduct an experiment
Class Participation		√				10%	Proactively learn the techniques of conducting experiment by participating
Assignments				√		10%	
Examination: 40% (duration: 2 hours, if applicable)							
Final exam	√	√	√	√		40%	-Short questions on methodology -Critically evaluate and comment on a hypothetical experimental design -Long questions on the theories and their corresponding experimental findings
						100%	

* The weightings should add up to 100%.

5. Assessment Rubrics

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

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
Experiment research project and presentation	Creativity in Experiment Design, Writing and Data Analysis , Presentation	Outstanding Creativity in Experiment Design, Excellent Writing and Data Analysis, Outstanding Presentation	Good Creativity in Experiment Design, Good Writing and Data Analysis, Good Presentation	Average Creativity in Experiment Design, Average Writing and Data Analysis, Average Presentation	Low Creativity in Experiment Design, Marginal Writing and Data Analysis, Marginal Presentation	Poor Creativity in Experiment Design, Poor Writing and Data Analysis, Poor Presentation
Class Participation	By Participation					
Assignments	Understanding of key concepts covered by the course	Excellent Understanding of key concepts covered by the course	Good Understanding of key concepts covered by the course	Average Understanding of key concepts covered by the course	Marginal Understanding of key concepts covered by the course	Poor Understanding of key concepts covered by the course
Final Examination	Understanding of key concepts covered by the course	Excellent Understanding of key concepts covered by the course	Good Understanding of key concepts covered by the course	Average Understanding of key concepts covered by the course	Marginal Understanding of key concepts covered by the course	Poor Understanding of key concepts covered by the course

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

1. Keyword Syllabus

Methodology of Experimental Economics. Market Experiments. Bargaining Experiments. Coordination Games. Public Goods. Information Experiments. Asset Markets Experiments. Auctions.

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.	Charles Holt, <i>Markets, Games and Strategic Behavior</i> , current edition, Pearson.
2.	Lucy Ackert and Richard Deaves, <i>Behavioral Finance: Psychology, Decision-Making, and Markets Strategy</i> , current edition, South-Western Pub.

2.2 Additional Readings

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

1.	Camerer, C., <i>Behavioral game theory</i> , current edition, New Age International.
2.	Davis, D. D., <i>Experimental economics</i> , current edition, Princeton university press.
3.	Friedman, D., & Sunder, S., <i>Experimental Methods: A Primer for Economists</i> , current edition, Cambridge University Press.
4.	Joel Watson, <i>Strategy: An Introduction to Game Theory</i> , current edition, W. W. Norton &Co.
5.	Kagel, J. H., & Roth, A. E., <i>The handbook of experimental economics</i> , current edition, Princeton University Press.