



Universidad de
los Andes
Colombia

School of
Management
Leadership for Life

international
summie
school 2022

BEHAVIORAL INSIGHTS FOR BUSINESS AND FINANCE

Alexander Coutts

Schulich School of Business, York University



June 6 – June 17

Monday - Friday (6:00 pm – 9:00 pm)

ONLINE - PM

DESCRIPTION

Many business textbooks assume that consumers and businesses make rational decisions: making optimal purchases, and maximizing profit. Instead, in this course we use insights from behavioral economics and finance to examine the biases that individuals hold to better understand decision-making. We study phenomena such as the link between overconfidence and financial markets, why we pay for gym memberships we rarely use, and how companies use decoys and loss-aversion to increase sales.

OBJECTIVES

The primary objectives of this course are to introduce to students the concepts in behavioral economics and finance that are most relevant to business and financial markets, and to study applications of these concepts in the actual business world. During this course it is expected that students will:

- Develop an understanding of how insights from psychology can be applied to economics and business settings.

- Become familiar with a set of key behavioral biases which have been shown to affect decision making.
- Understand specific applications of how consumer and business decision making is influenced by behavioral biases.
- Learn how to identify and analyze contexts where decision making may be influenced by biased judgement.
- Communicate (written, verbal, and visual) insights on how biased decision making contributes to observed outcomes.

METHODOLOGY

This course involves a number of complementary methodologies. Much of the course is based on discussion of both readings as well as applications of the topics to real business and market settings. Lectures and discussions are complemented with short video material when appropriate. Further the course will involve one in-class experimental activity meant to better illustrate the topics of study. Discussion is encouraged, and the final class will involve short group presentations to illustrate the ability to apply the concepts to real world situations.

EVALUATION

Evaluation will consist of class participation and discussion, one (group) presentation, and one final quiz which will cover all course material.

- The group presentation will involve presenting an idea that uses the concepts of behavioral economics and psychology which could be applied to a business setting. It can also be more academic oriented. The size of the groups and presentation time will depend on enrollment.
- Class participation and discussion is measured through in-class engagement as well as participation in offline content such as discussion posts using the course learning platform.
- The final quiz will consist of multiple choice and short answer questions.

The weight assigned to each of these is as follows:

- Participation and class discussion (35%)
- Group presentations (35%)
- Final Quiz (30%)

The evaluation system can be subject to changes.

PRE-REQUISITES

There are no firm pre-requisites for the course. It is recommended that students have taken an intermediate microeconomics class.

Given the uncertainty related to Covid-19, the time schedule and delivery mode of the courses can be subject to changes according to government and institutional regulations.