



Universidade Presbiteriana

Mackenzie

CCSA - Centro de Ciências Sociais e Aplicadas

Programa de Pós-Graduação em Economia e Mercados

Course Syllabus

Department/Faculty Applied Social Science Center
Graduate Program Economics and Markets –Professional Master’s
Degree <input type="checkbox"/> Academic Master’s <input type="checkbox"/> Doctorate (PhD) <input checked="" type="checkbox"/> Professional Master’s
Course Name Economic Decision-Making, Choice Strategies and Behavior
Professor(s) Dr. Roberta Muramatsu
Office hours 48 hours
Course Overview Study of the incentive mechanisms underlying market coordination and organizational strategies and decisions. Digging deeper into institutions, contracts, property rights and transaction costs. Uncovering the relationship between information and rationality of choice under risk/uncertainty as well as intertemporal choice. Critical assessment of behavioral economics applications and their implications.
Topics outline 1.Theoretical underpinnings of the course and some foundations of the economic approach to organizations 2.Building blocks of Williamson’s new institutional economic view of organizations and their governance structures or organizational choices 3.Empirical evidence and explanatory value of Transaction Cost Economics and its limitations 4.Theoretical and Methodological Foundations of Behavioral Economics 5.Judgment and Decision-Making under Risk and Uncertainty and some applications 6.Behavioral Economics of Intertemporal Choice, its applicability and consequences 7.Future Directions of Economic Research on Organizations and Behaviors: new institutions, organizations, incentives and economic decisions in the real world of UBER, Netflix and Big Data
Letter Grade Assignment Grade A (Excellent) Grade B (Good) Grade C (Satisfactory) Grade D (Unsatisfactory)



Texts, Materials, and supplies

Basic reading (books)

BOWLES, Samuel. Microeconomics: behavior, institutions, and evolution. New York: Russell Sage Foundation, 2006.

MILGROM, Paul R. Economics, organization and management. Englewood cliffs: Prentice-Hall, 1992.

WILKINSON, Nick. An introduction to behavioral economics. Houndmills: Palgrave MacMillan, 2008.

Obligatory Reading (papers available on Moodle):

- AVILA, Flávia; BIANCHI, Ana M. **Guia de Economia Comportamental e Experimental** (orgs.) São Paulo: EconomiaComportamental.org. 2015
- BENARTZI, Schlomo; THALER, Richard H.. Behavioral Economics and the Retirement Savings Crisis, **Science**, vol. 339, MARCH 2013, pp.1152-1153
- DELLAVIGNA, Stefano. Psychology and Economics: Evidence from the Field. **Journal of Economic Literature** , 47:2, 2009, pp. 315–372
- FOSS, Nicolai J.; KLEIN, Peter G. Critiques of transaction cost economics: An overview. In: **The Elgar Companion to Transaction Cost Economics**, edited by Peter G. Klein; Michael Sykuta. London: Edward Elgar, 2010
- JOSKOW, Paul L. Asset Specificity and the Structure of Vertical Relationships: Empirical Evidence; **Journal of Law, Economics, & Organization**, Vol. 4, No. 1 (Spring, 1988), pp. 95-117
- KENCH, Brian T.; KNOX Trevor M.; WALLACE, H. Scott. Dynamic transaction costs and firm boundaries in the soft drink industry, **Journal of Economics and Economic Education Research**, Volume 13, Number 1, 2012, pp. 33-52
- KLEIN, Peter G. New Institutional Economics, July 1998. Available at SSRN: <https://ssrn.com/abstract=115811> or <http://dx.doi.org/10.2139/ssrn.115811>
- MACHER, Jeffrey T.; RICHMAN, Barak D. Transaction Cost Economics: An Assessment of Empirical Research in the Social Sciences, **Business and Politics**, Vol. 10 [2008], Iss. 1, Art. 1, 2008, pp.1-63
- WILLIAMSON, Oliver. Economics of Governance. **The American Economic Review**, Vol. 95, No. 2, Papers and Proceedings of the One Hundred Seventeenth Annual Meeting of the American Economic Association, Philadelphia, PA, January 7-9, 2005 (May, 2005), pp. 1-18

Complementary Reading (books):

COASE, R. H. The firm, the market and the law. Chicago, IL: University of Chicago Press, 1990.

LOEWENSTEIN, George. Exotic preferences: behavioral economics and human motivation. Oxford: New York: Oxford University Press, 2007.

MAITAL, Shlomo (Ed.). Recent developments in behavioral economics. Northampton: Edward Elgar, 2007.

NORTH, Douglass Cecil. Institutions, institutional change, and economic performance. Cambridge: Cambridge University Press, 1990.

WILLIAMSON, Oliver E. (Ed.). The economics of transaction costs. Cheltenham, UK: Edward Elgar, c1999.



Complementary articles (available on moodle)

- BANCO MUNDIAL Relatório sobre o Desenvolvimento Mundial 2015: Mente, Sociedade e Comportamento. Overview booklet. **Banco Mundial**, Washington, D.C. 2015
- BARBERIS, Nicholas C. Thirty Years of Prospect Theory in Economics: A Review and Assessment. **Journal of Economic Perspectives**, Volume 27, Number 1, Winter 2013, pp. 173–196
- GHOSAL, Sumantra; MORAN, Peter. Bad for Practice: A Critique of the Transaction Cost Theory. **The Academy of Management Review**, Vol. 21, No. 1, Jan., 1996, pp. 13-47
- HODGSON *Geoffrey M.* Limits of transaction cost analysis. In: **The Elgar Companion to Transaction Cost Economics**, edited by Peter G. Klein; Michael Sykuta. London: Edward Elgar, 2010
- KAHNEMAN, D. Maps of Bounded Rationality: Psychology for Behavioral Economics. *American Economic Review*. 93, 5, Dec. 2003, pp. 1449-1475
- RICHTER, Andreas; SCHILLER, Jörg Schiller; SCHLESINGER, Harris. Behavioral insurance: Theory and experiments. **Journal of Risk and Uncertainty**, 48, 2014, pp. 85–96
- SHELANSKI, Howard A., and Peter G. KLEIN. "Empirical Research in Transaction Cost Economics: A Review and Assessment." *Journal of Law, Economics, & Organization* 11, no. 2 (1995): 335-61. <http://www.jstor.org/stable/765001>.
- ZHANG, Aima, Transaction governance structure: theories, empirical studies, and instruments. **International Journal of Commerce & Management**; 2006; 16, 2; 2006, pp. 59-85