

Experimental Economics: ECON 885-001

Online

Wednesdays 4:30-7:10

Spring 2021

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Course Objectives: This is a course in Experimental Economics. The goals of this course are to (1) critically read and discuss some of the research and methods in Experimental Economics, (2) explore new research ideas, and (3) prepare a research proposal using an economics experiment to do original research. (4) Learn Python, oTree, and the Python scientific stack.

Background for Course: Graduate level microeconomic theory.

Readings: A reading list is on blackboard. The course makes no attempt to provide comprehensive coverage of the experimental economics literature, but every practicing experimental economist will be familiar with the contents of the following books. Holt, Markets, Games, and Strategic Behavior, 2nd Edition; Kagel & Roth, Handbook of Experimental Economics Volumes 1 & 2; Camerer, Behavioral Game Theory; Plott & Smith, Handbook of Experimental Results; Box, Hunter & Hunter, Statistics for Experimenters.

Grading: 25% Grant Proposal, 25% Participation, 50% Presentations.

Grant Proposal: A grant proposal is an attempt to get funding for your research. We will use the National Science Foundation guidelines NSF17_1. The guideline is on blackboard. The relevant material is in chapter II. Subsection b discusses the format of the proposal and subsection c discusses the content of the proposal. Note, the parts of the proposal you are responsible for are as follows: Summary page, including intellectual merit and broader impact (one page); Table of contents; Project description, skip results from prior NSF Support (at most 15 pages); References Cited; Budget and budget justification.

Participation: If you will not be able to make class for any reason inform Professor McCabe as soon as possible before class begins. Students are expected to participate in class discussions. If you are called upon to start the discussion of a paper, you should be able to answer any one of the following questions. Q7 and Q8 are only relevant for experimental papers, and Q9 is relevant for all empirical papers.

- Q1: What is the research narrative?
- Q2: What are the parent papers?
- Q3: What research question is asked?

- Q4: What research question is answered?
- Q5: What theory, model, and mathematical definitions are being used?
- Q6: What theorems are proved? can you give an example? can you outline the proof?
- Q7: What is the task that subjects performed?
- Q8: What is the experimental design used in the paper?
- Q9: What is the data narrative (analysis)?
- Q10: How convinced are you that the results are replicable?
- Q11: What question would you have for the author(s) if you meet them at a conference?
- Q12: What additional research questions could you ask using this paper as a parent paper?

Student Presentations: In weeks 5, 8, 11 and 14. Students will make Power-Point presentations as outlined on blackboard. Students will send their presentations to Professor McCabe before class begins on presentation day. Failure to send a presentation will receive a grade of zero.

Blackboard: Class announcements, schedule of readings, and other important information will be posted on Blackboard.

Academic Integrity: You are expected to follow the George Mason's Honor Code, <http://universitypolicy.gmu.edu>.

Disabilities If you are a student with a disability and you need academic accommodations please see me and contact the Office of Disability Services at (703) 993-2474. All academic accommodations must be arranged through that office.

Course Outline

There will most likely be changes during the semester as we adjust for time to cover the topics listed below and student interest. Any changes will be announced in class and on blackboard. Topics *italics* will be lecture/discussions led by Professor McCabe. Topics in **bold** will be student presentations. Topics in `courier` font will be class discussion days.

Week	Topic	Session One	Session Two
1	<i>Building a Research Program</i>	<i>Literature Research</i>	<i>Research Narrative</i>
2	Individual Choice	Risk Preferences	Search Experiments
3	Simple Exchange Models	Ultimatum and Trust	Social Preferences
4	Lending Institutions	Reputation Institutions	Collateral Institutions
5	Research Narratives	Student Presentations	Student Presentations
6	<i>Building the Experimental Task</i>	<i>Information and Choices</i>	<i>Feedback and Earnings</i>
7	Market Price Discovery	Double Auction Markets	Zero Intelligence
8	Experimental Task	Student Presentations	Student Presentations
9	<i>Designing Experiments</i>	<i>Experimenter Control</i>	<i>Randomized Designs</i>
10	Public Goods	VCM Experiments	Commons Experiments
11	Experimental Design	Student Presentations	Student Presentations
12	<i>Experimental Procedures</i>	<i>Writing Instructions</i>	<i>Testing Understanding</i>
13	Macro Experiments	Money Experiments	Heuristic Switching
14	Instructions Pilot	Student Presentations	Student Presentations