1 Course Description

Experimental methods in economics have achieved prominence in the last twenty years and are well on their way to becoming important enough to have a strong influence on theory formulation, policy and the way empirical data is collected and analysed. In this course we trace the growth of this sub-field from its relatively humble origins that were concerned primarily with seeing if laboratory agents displayed equilibrium behaviour. Today the design of experiments has grown to incorporate wisdom from social and clinical psychology, sociology and anthropology and even evolutionary biology. The deviation of observed economic behaviour from the dominant neoclassical construct of the homo-economicus (a narrowly self interested, hyper rational optimizer) has opened the floodgates to a variety of models in the last couple of decades that explore various motivations behind economic behaviour that include altruism, reciprocity, boredom, spite, uncertainty and loss aversion. Furthermore theories pertaining to learning, dynamic choice behaviour, norm formation, and the voluntary contribution mechanism (to name a few) have been informed greatly from observation in laboratory settings. We start the course by studying the design of laboratory (also field/survey) experiments and reviewing the results from published experimental articles in scholarly journals. We then explore some new theoretical developments that aim to explain observed behaviour using models that either extend the standard Walrasian or Nash methodologies or those that diverge significantly from these dominant intellectual frameworks.

2 Evaluation Method

Open Book Examination (25%), Presentation (25%), Closed Book Examination (25%) and Term Paper (25%).

3 Main References


4 Topics

Market and Game Theory Experiments


**Decision Theory Experiments**


Field and Survey Experiments


Review Papers


**Internet Archives**

Charles Holt’s bibliography at Virginia: [http://people.virginia.edu/~cah2k/y2k.htm](http://people.virginia.edu/~cah2k/y2k.htm)

Dean Karlan’s field experiment bibliography at Yale: [http://karlan.yale.edu/fieldexperiments/index.php](http://karlan.yale.edu/fieldexperiments/index.php)