

Syllabus for the course
«Economic Psychology»

Lecture materials, course structure and the syllabus are prepared by
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1. Course Description

- a. Economic Psychology
- b. Pre-requisites: The course builds on the general theories of social psychology and economics and does not require any specific knowledge of the students from previously attended courses. The students who enrolled in economics, marketing, communication, education, advertising and sociology are particularly welcomed. Anyway the course takes into account that the students come from different programs, and teaching will be adapted to different interests, different cultural backgrounds and different learning styles.
- c. Course Type – elective
- d. Abstract: The course “Economic psychology” is designed as a course for the first year’s students of Master programs of National Research University Higher School of Economics. The course is elective, the first year Master students can choose it as a course of MAGOLEGO project.

The purpose of the course is to build an understanding of the main economic phenomena which students meet in everyday life considering these phenomena from psychological and not economic point of view. The students will understand why people often act irrationally and do not choose the most profitable alternative as economics suggests. Thus the course allows the students to be able to analyze economic phenomena from a wider perspective.

2. Learning Objectives

The main objectives are:

- a. to introduce basic issues about economic psychology;
- b. to acquaint students with the latest researches of economic behavior;
- c. to develop an ability to analyse economic behavior from the psychological point of view;
- d. to develop practical skills of analysis of economic behavior.

3. Learning Outcomes

At the end of the course the students will:

- a. know the main directions of economic psychology;
- b. be able to analyse situations of economic interaction from the psychological point of view;
- c. apply practical skills and knowledge to the analysis of economic interaction.

4. Course Plan

Topic 1. Introduction in economic psychology: psychology, economics, and economic psychology. What is it “economic behavior” and how can we study it? How do economists and psychologists perceive economic interactions in social life? Economic psychology: history, fields of study, methods of study, and future of the science.

Topic 2. The economic problems of childhood: economic socialization, children, commerce, and money. How do children understand the economic system? How do children influence economic behavior of the family? Children and commercial advertising. Children, money, and savings: experiments.

Topic 3. Psychology of money and credit cards. Why do we need money? Experiments with money. Psychology of money: psychoanalysis and the symbolism of money. Attitudes toward credit cards.

Topic 4. Poverty and unemployment. Psychological understanding of poverty: theoretical model. Causes of poverty. Attitudes toward the poor. Behavior of the poor. Studies of unemployment. Psychological meaning of employment and unemployment. Unemployment and health.

Topic 5. Necessities vs. luxuries and wealth. How do we distinguish necessities and luxuries? Psychoanalysis and wealth. Does wealth mean happiness?

Topic 6. Entrepreneurial motivation and the smaller business. Welfare and tax evasion. Who is an entrepreneur? Psychological and economic motivation of entrepreneurs. Charity or taxation? Reducing tax evasion.

5. Reading List

a. Required

1. Ayala, J. C., & Manzano, G. (2014). The resilience of the entrepreneur. Influence on the success of the business. A longitudinal analysis. *Journal of Economic Psychology*, 42, 126-135.
2. Prince, M. (1993). Women, men and money styles. *Journal of economic Psychology*, 14, 175-182.
3. Raaij, W. F. (1999). Economic psychology between psychology and economics: An introduction. *Applied Psychology*, 48, 263-272.

b. Optional

1. Aarts, H., & Bijleveld, E. (2014). The psychological science of money.
2. Webley, P. (2001). *The economic psychology of everyday life.* Psychology Press.

6. Grading System

Knowledge should be assessed in 10-point scale. Grades on the following forms of knowledge assessment constitute the final grade:

Gclass – the grade for attendance and participation in the class activity.

NOTE: there is no possibility to get Gclass for missing classes

Gpapers – the grade for team papers

$$G_{\text{cumulative}} = 0,8 * G_{\text{papers}} + 0,2 * G_{\text{class}}$$

Gexam – the grade for the final examination

Gproject – the grade for the group project

Gquiz – the grade for the quiz

$$G_{\text{exam}} = 0,2 * G_{\text{project}} + 0,8 * G_{\text{quiz}}$$

$$G_{\text{final}} = 0,5 * G_{\text{cumulative}} + 0,5 * G_{\text{exam}}$$

7. Guidelines for Knowledge Assessment

The students are expected to tackle the course in a constructive and mature manner. It is expected that the students will attend almost all classes and will participate fully in the class activities. If a student will have to miss a class, he needs to give a notice to the professor in advance by e-mail. Being late more than 15 minutes is not allowed, and make it a practice to arrive in class early. For each class the students receive 1 point. The students being late more than 15 minutes without prior notification can get only 0,5 point. The total class grade is calculated in the following way: Number of point/6*10.

The students will prepare team papers in groups of 2-3 students. For this assignment, they must read a book related to economic psychology (available in the HSE Library and approved by lecturer). The team paper should be an “extended” review of chosen book’s arguments and issues. The teams must identify and react to the major themes and issues raised by the author/authors but the team paper should be much more than a simple

summary of the book. The students need to compare the main issues with the content of the course, discuss the position and the arguments of the author/authors using the examples of economic interactions discussed during the classes and also from their personal life. They are also required to critically analyse the author's/authors' position and to present their own. The content of the team paper:

- a brief conceptualization of the book against the background of the course contents;
- a summary of the book, including the main arguments and issues of the author/authors;
- some critical comments on the author's/authors position presentation of the own position of the team.

APA format must be used in the preparation of this paper. Please consult the web-site: <http://www.apastyle.org/> . The team paper should be between 1000 and 1500 words (including first page and references). It should be written with: spacing 1,5, font TNR 12; margins: 2; 2; 3; 1,5). The team paper must be sent to the professor by email before the last class. It is expected that each student reads the chosen book.

Late papers: 0,5 point (out of 10) will be deducted each day that a team paper is late (including weekends). There will be no exceptions to this policy.

Papers evaluation:

- Grammar quality: no grammar or orthographical errors (thus, check for spelling), using of correct language – 1 point;
- General structure of the paper: it should be well divided in paragraphs (and if the case, sub-paragraphs); there should be an introduction, a central section/s and conclusions; there should be a clear logical sequence on contents; title of the paper should be coherent with the contents – 1 points;

- Formal quality of the paper: there should be a front-page, a title, name and surnames of authors, an index, adequate font, references are reported by using APA styles, using academic tone – 1 point;
- Quality of contents: comparison of the main issues of the book with the course content – 2 points;
- Quality of contents: the summary of the book – 3 points;
- Quality of contents: the presentation of a critical and mature personal position on the issue – 2 points.

For the final examination students need to prepare group projects on one of the selected topic. The student can work in groups of 6-8 people.

Group Project #1—Critique of TV Commercials

Group Project #2—Self-report on gift-giving.

Group Project #3— Poster on poverty/unemployment.

Group Project #4— Analyzing social networks of luxury segment brands.

Group Project #5— Training Entrepreneurship.

Group Project #6— Individual differences in economic behavior.

Group project evaluation:

The main idea of the group projects is to see the link between the lectures and the literature on the one hand and real life on the other hand. Group projects will be evaluated according the following system:

- Strictly following the instructions concerning the content and the form of the presentation of the results – 4 points, “path or fail”;
- Providing full references for all literature referred to – 2 points, “path or fail”;
- Quality of oral presentation – 4 points, “path or fail”.

Students who are not present during their group presentation will receive a “0” for the group project unless arrangements are made beforehand.

The second part of the final examination is short quiz of 18 questions with one correct answer to be chosen. Here is an example:

Economic psychology studies:

- a) social-psychological behavior;
- b) economic phenomena;
- c) economic behavior.

The quiz is based on the articles from the required reading list and lecture materials.

Quiz evaluation:

- 18 correct answers: 10 points
- 17 correct answers: 9 points
- 16 correct answers: 8 points
- 14 – 15 correct answers: 7 points
- 12 – 13 correct answers: 6 points
- 10 – 11 correct answers: 5 points
- 8 – 9 correct answers: 4 points
- 6 – 7 correct answers: 3 points
- 4 – 5 correct answers: 2 points
- 1 – 3 correct answers: 1 point

8. Methods of Instruction

- a) lectures;
- b) classroom experiments;
- c) economic games;
- d) debates;
- e) group projects of book review and self-observation;
- f) analysis of media messages;
- g) video discussions;

- h) scientific discussions;
- i) guest speakers (to be announced).

9. Special Equipment and Software Support (if required)

Projector for lectures, acoustic systems and Internet access for viewing videos.