

ECON 4880/5880:

Special Topic: Individual Decision Making

Winter 2024



**Instructor:
Professor Lanny Zrill**

**REGISTER
ON CARLETON
CENTRAL**

***ECON 3706 and ECON 4706
have been waived as
prerequisites for this course.**

The choices of individual decision makers form the foundation of modern economic models, from household savings decisions to the determination of interest rates by central bankers. In this course, we will do a deep dive into various theories of individual decision making, starting with the standard rational choice model, the workhorse model of individual choice in economics. We will also consider alternative models which have been proposed to explain systematic violations of the standard model. In doing so, we will explore theories and results from many disciplines, including economics, but also psychology, neuroscience, marketing, biology, computer science, and anthropology. Our focus will be on evaluating these theories empirically, often using laboratory experiments, but also using real-world applications. Topics include decision making under risk and uncertainty, intertemporal choice, altruism and reciprocity, bounded rationality, choice architecture (nudges), and artificial intelligence. Students will acquire an appreciation of the enormous complexity of individual decision making, as well as the remarkable success of researchers in better understanding and predicting individual choice behavior.



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