

## **ASIA SUMMER INSTITUTE IN BEHAVIORAL ECONOMICS**

### **National University of Singapore, July 26 to August 6, 2010**

From July 26 to August 6, 2010, the National University of Singapore will sponsor the 1<sup>st</sup> Asia Summer Institute in Behavioral Economics, to be held at the National University of Singapore, a leading global university centered in Asia ([www.nus.edu](http://www.nus.edu)). The purpose of this summer institute is to introduce graduate students and beginning faculty in economics, business, and related disciplines to the findings and methods of behavioral economics. Behavioral economics is the application of psychological theory and research to economics. Psychological foundations to be covered include decision-making under risk and uncertainty, heuristics and biases in judgment, limited self-control, and social preferences. These concepts will be applied to topics such as consumption, savings behavior, stock investment, and game theory.

The co-organizers of the Summer Institute are Soo Hong Chew, Teck Ho, Matt Rabin, and Yeneng Sun (Coordinator). The teaching faculty will be:

- a. **Vince Crawford**, Professorial Fellow of All Souls College and Drummond Professor of Political Economy, Department of Economics, University of Oxford.
- b. **Terrance Odean**, Willis H. Booth Professor of Banking and Finance, Haas School of Business, University of California, Berkeley.
- c. **Ted O'Donoghue**, Professor of Economics, Cornell University
- d. **Matthew Rabin**, Edward G. and Nancy S. Jordan Professor of Economics, Department of Economics, University of California, Berkeley

The program schedule will include 3 daily sessions in which students will be introduced to the psychological foundations of various economic topics, experimental testing of theories, and field applications in finance.

The Summer Institute is intended for Economics and Business Ph.D. students who by July 2010 will have completed at least two years of their graduate program, and faculty in economics and business who by July 2010 are less than 3 years after their doctoral degree. Candidates in other disciplines (e.g., psychology, political science, and law) who have a strong interest and advanced training in formal economics are also encouraged to apply. While the intention is to introduce behavioral economics to scholars studying in Asia, applications will be considered from anywhere.

Selected participants will cover their own travel expenses. The National University of Singapore will cover most participant costs during the conference, including hostel housing and some meals. About thirty participants will be invited. Participants will be required to complete some assigned readings in advance of the conference and to attend the entire program. The program schedule is attached. To apply, send a curriculum vita, a statement (maximum three pages) describing both your current research and your interest in behavioral economics, and two letters of recommendation from faculty advisors. Letters of recommendation should be as informative as possible about your standing in the program, general ability, research potential, and (if applicable) special interest in behavioral economics. All applications must include a mailing address. ***We only accept e-mail applications; please send your*** applications and letters in PDF format to [nusbesi@nus.edu.sg](mailto:nusbesi@nus.edu.sg) and with the email subject titled as *NUS – Behavioral Economics Summer Institute*.

We anticipate a large pool of highly qualified applicants and we expect to make quick decisions. Applications and letters must be received by the deadline. ***Complete applications, including letters of recommendation, must be received by Friday April 2, 2010.*** We will notify applicants solely by e-mail by

Friday, April 23, 2010, and ask participants to confirm their participation soon thereafter. Inquiries can be sent to [nusbesi@nus.edu.sg](mailto:nusbesi@nus.edu.sg).

### PROGRAM SCHEDULE

<b>Week 1</b>	<b>Monday</b> 26-Jul	<b>Tuesday</b> 27-Jul	<b>Wednesday</b> 28-Jul	<b>Thursday</b> 29-Jul	<b>Friday</b> 30-Jul
9.00 – 10.30 am	Rabin	Rabin	O'Donoghue	Rabin	Rabin
10.30 - 11.00 am					
11.00 - 12.30 pm	Rabin	O'Donoghue	O'Donoghue	O'Donoghue	O'Donoghue
12.30 - 2.00 pm					
2.00 - 3.30 pm	Rabin	Rabin	O'Donoghue	O'Donoghue	Wrap-Up
<b>Week 2</b>	<b>Monday</b> 2-Aug	<b>Tuesday</b> 3-Aug	<b>Wednesday</b> 4-Aug	<b>Thursday</b> 5-Aug	<b>Friday</b> 6-Aug
9.00 – 10.30 am	Crawford	Odean	Crawford	Odean	Odean
10.30 - 11.00 am					
11.00 - 12.30 pm	Crawford	Odean	Crawford	Odean	Crawford
12.30 - 2.00 pm					
2.00 - 3.30 pm	Odean	Crawford	Event	Crawford	Wrap-Up

### Week 1: 26 to 30 July 2010

26-Jul

Time	
9.00 – 10.30 am	<b>Rabin:</b> Introduction and Perspectives on “Behavioral Economics”
10.30 – 11.00 am	- Tea Break -
11.00 – 12.30 pm	<b>Rabin:</b> Belief-Based Preferences & Introduction to Reference Dependence
12.30 – 2.00 pm	- Lunch Break -
2.00 – 3.30 pm	<b>Rabin:</b> Reference Dependence, Prospect Theory, & Risk Preferences

27-Jul

Time	
9.00 – 10.30 am	<b>Rabin:</b> Risk Preferences contd, Narrow Bracketing, & Mental Accounting
10.30 – 11.00 am	Tea Break
11.00 – 12.30 pm	<b>O’Donoghue:</b> Empirical Applications of Prospect Theory
12.30 – 2.00 pm	Lunch Break
2.00 – 3.30 pm	<b>Rabin:</b> Social Preferences: Evidence, Models, and Implications

28-Jul

Time	
9.00 – 10.30 am	<b>O’Donoghue:</b> Present-Biased Preferences (Hyperbolic Discounting) I: Introduction
10.30 – 11.00 am	Tea Break
11.00 – 12.30 pm	<b>O’Donoghue:</b> Present-Biased Preferences II: Basic Model & Sophistication vs. Naivete
12.30 – 2.00 pm	Lunch Break
2.00 – 3.30 pm	<b>O’Donoghue:</b> Present-Biased Preferences III: Implications & Tests from the Field

29-Jul

Time	
9.00 – 10.30 am	<b>Rabin:</b> Mispredicting Preferences I: Evidence & Model of Projection Bias
10.30 – 11.00 am	Tea Break
11.00 – 12.30 pm	<b>O’Donoghue:</b> Mispredicting Preferences II: Implications and a Test from the Field
12.30 – 2.00 pm	Lunch Break
2.00 – 3.30 pm	<b>O’Donoghue:</b> Approaches to Bounded Rationality I

30-Jul

Time	
9.00 – 10.30 am	<b>Rabin:</b> Approaches to Bounded Rationality II
10.30 – 11.00 am	Tea Break
11.00 – 12.30 pm	<b>O’Donoghue:</b> Public Policy Implications of Behavioral Economics
12.30 – 2.00 pm	Lunch Break
2.00 – 3.30 pm	<b>O’Donoghue and Rabin:</b> “Wrap-up” (Questions and Answers)

**Week 2: 2 to 6 August 2010**

2-Aug

<b>Time</b>	
9.00 – 10.30 am	<b>Crawford:</b> Strategic thinking, famous “Folk Game Theory” quotations and leading models
10.30 – 11.00 am	Tea Break
11.00 – 12.30 pm	<b>Crawford:</b> Experimental evidence on strategic thinking and the lessons for modeling strategic behavior
12.30 – 2.00 pm	Lunch Break
2.00 – 3.30 pm	<b>Odean:</b> A behavioral finance perspective on market efficiency

3-Aug

<b>Time</b>	
9.00 – 10.30 am	<b>Odean:</b> Asset bubbles and experimental markets
10.30 – 11.00 am	Tea Break
11.00 – 12.30 pm	<b>Odean:</b> Overconfidence and learning: Individual investors, traders, managers
12.30 – 2.00 pm	Lunch Break
2.0 – 3.30 pm	<b>Crawford:</b> Applications of Level-K models: Matrix games with unique mixed-strategy equilibria, entry games, and bank runs

4-Aug

<b>Time</b>	
9.00 – 10.30 am	<b>Crawford:</b> Applications of Level-K models: Zero-sum two-person games with or without sophisticated players and Schelling-style coordination games
10.30 – 11.00 am	Tea Break
11.0 – 12.30 pm	<b>Crawford:</b> Application of Level-K models: Private-value and common-value auctions and zero-sum betting games
12.30 – 2.00 pm	Lunch Break
2.00 – 3.30 pm	<b>ALL; Event</b>

5-Aug

<b>Time</b>	
9.00 – 10.30 am	<b>Odean:</b> Attention, regret, and loss aversion
10.30 – 11.00 am	Tea Break
11.00 – 12.30 pm	<b>Odean:</b> Representativeness, investor sentiment, and asset prices
12.30 – 2.00 pm	Lunch Break
2.00 – 3.30 pm	<b>Crawford:</b> Theory and evidence on adaptive learning: Reinforcement, beliefs-based, and experience-weighted attraction learning

6-Aug

<b>Time</b>	
9.00 – 10.30 am	<b>Odean:</b> Investor welfare
10.30 – 11.00 am	Tea Break
11.00 – 12.30 pm	<b>Crawford:</b> Convergence and equilibrium selection via learning
12.30 – 2.00 pm	Lunch Break
2.00 – 3.30 pm	<b>Crawford, O’Donoghue and Rabin:</b> “Wrap-up” (Questions and Answers)