TENTATIVE SYLLABUS  
OIDD 2900 Decision Processes  
Fall 2022  
(Tue/Thu at 8:30am and 10:15am in Room TBD)

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JMHH 550

Course Description

The course has two main objectives.

The first is to improve the quality of students’ decisions. Students will learn about common inferential errors and systematic biases in decision making. We will study errors and biases that are particularly important for real world managerial settings and look for easy-to-implement solutions.

The second is to improve the ability of students to influence others and motivate desired behavior in them. This is accomplished by expanding the rather limited toolbox provided by standard economics with tools arrived at from insights in the field of behavioral decision making.

Grading

20% Test I  
20% Test II  
20% Reading assignments  
20% Group project  
10% Class participation  
10% Best of Test I, Test II, Project

Two open-book tests are set for October 11 (Tue) and November 15 (Tue). No rescheduling is allowed. Students will work individually on Canvas during scheduled class times. The tests are not cumulative.

Reading assignments must be submitted in Canvas by 8:30am on the due date. Late assignments receive no credit. All readings and questions will be posted on Canvas one week before they are due.

The group project will involve reading a research paper and sharing the findings with the class. More details will follow as the course progresses.

All students are expected to participate actively in class discussion and in-class group work. However, student unable to attend class due to COVID-related or other valid reasons will by fully excused. All classes will be recorded to accommodate such circumstances.

COVID safety: Masks must cover nose and mouth at all times. No eating in class, and drinking is allowed only through a straw.
Schedule

8/30 Tue Introduction

A. Heuristics and Biases

9/1 Thu The Availability Heuristic
9/6 Tue The Anchoring Heuristic Assignment 1: How Doctors Think
9/8 Thu Perception of Randomness
9/13 Tue Correlation, Causation, and Control Assignment 2: Cancer Cluster Myth

B. Choices, Values, and Frames

9/15 Thu Choice and Context Assignment 3: Relativity
9/20 Tue Reference Points Assignment 4: Bernoulli's Errors
9/22 Thu Loss Aversion and Framing Assignment 5: Brain Systems
9/27 Tue Combining Gains and Losses Assignment 6: Prediction Markets
9/29 Thu Mental Accounting

10/4 Tue Review
Fall Break

C. Decision and Time

10/11 Tue Test I

10/13 Thu Time Inconsistency
10/18 Tue Commitment Devices Assignment 5: Brain Systems
10/20 Thu Overconfidence and The Planning Fallacy

D. Decision and People

10/25 Tue Group Decisions Assignment 6: Prediction Markets
10/27 Thu Fairness Assignment 7: Bagel Man
11/1 Tue Non-market Relationships Assignment 8: Tipping Point
11/3 Thu Thinking and Learning Assignment 9: You Need Hands
11/8 Tue Social Norms

11/10 Thu Review
11/15 Tue Test II

E. Applications

11/17 Thu Choice Architecture I
11/22 Tue Class cancelled for Thanksgiving Break Assignment 9: You Need Hands
11/29 Tue Choice Architecture II
12/1 Thu Final Project Presentations I
12/6 Tue Final Project Presentations II
12/8 Thu Final Project Presentations III