**Abstract of course “Decision theory and rationality”**

1. Name of the course “Decision theory and rationality”

2. Department responsible for the course or equivalent: Faculty of Economics

3. Lecturer: Elena Iakovleva, PhD, associate professor, [eayakovleva@sfedu.ru](mailto:eayakovleva@sfedu.ru)

4. Semester when the course unit is delivered – Spring (2d Semester)

5. Teaching hours per week 4 hours

6. Level of course unit: Second cycle – Master level

7. ECTS credits – 5 credits

8. Admission requirements: basic knowledge of economic theory, management and organization theory.

9. Course objectives (aims):

* expansion and deepening of knowledge in the field of modern economic theory on the basis of the development of the categorical apparatus and the modern methodology of the scientific direction in the study of economic phenomena – behavioral economics and experimental methods, and the acquisition of competencies that allow you to access the basic concepts of behavioral economics;
* consider the basic concepts and elements of behavioral economics, as well as various theoretical approaches to its study;
* to form students' systemic ideas about the structure, features and regularities of the methodology of behavioral economics, an understanding of its content and specifics, teach them to conduct independent research in this area, theoretically generalize empirical materials and develop practical recommendations;
* to develop students' ideas about the prospects for the further development of behavioral economics and an analysis of its approbation in modern economic science and practice;
* to form skills of applied use of acquired knowledge in professional activities;
* to ddevelop of the ability to develop and conduct research in the field of managing human resource behavior in modern organizations;
* increase the level of scientific training of students.

10. Course contents.

The course consists of two parts:

* Theory and methodology of Behavioral Economy end its major achievements.
* Main achievements of Behavioral Economy and their influence on the development of Experimental Economy.

In Module 1 “Theory and methodology of Behavioral Economy end its major achievements”. Topics include: Behavioral economic theory as an alternative to the mainstream. Initial methodological postulates of PE. Behavioral background of the modern economic analysis of O. Williamson. Theories of limited (G. Simon) and variable (X. Laybenstein) rationalization, the theory of rational choice of the Chicago school (G. Becker, 1993). Theory of Intertemporal Choice I. Fisher (Fisher, 1930). Expected utility theory, risk theory. The theory of expected utility of Neumann-Morgenshern (1944), risk theory in the field of economics and decision theory. The Paradox of Alle (1953).

In Module 2 “Main achievements of Behavioral Economy and their influence on the development of Experimental Economy” views the Choice and conditions of risk and uncertainty; Decision-making methods. Topics include: Decision making in the face of uncertainty: heuristics and prejudice. Representativeness Studies. Introduction to attribution theory and attribution errors. Prejudice of accessibility in social perception and interaction. Gaining knowledge from experience and conditionally optimal rules when making decisions. Paradoxes and limitations of individual and collective decision-making processes. Methods of activating critical thinking and role distribution. Alternative decision theory. The theory of expected utility and its development. Theory of perspectives, rank theory of utility, theory of regret. Advantages and limitations of these models. Procedural decision theory. Misconception theory: what mistakes are made by smart people.

11. Learning outcomes.

After studying this course, the student will receive the following skills:

* conducting applied economic research in the field of personnel behavior management in modern organizations;
* evaluating the cost-effectiveness of managerial decisions in the field of staff incentives in modern organizations;
* use various assessment methods to diagnose the effectiveness of managerial decisions in the field of staff incentives in modern organizations;
* methods for developing managerial decisions in the field of staff incentives in modern organizations to increase their effectiveness;
* applications in the development of applied research of key theories and concepts of staff motivation;

12. Planned learning activities and teaching methods: Lectures with a variety of examples and practice, Seminars with oral presentations and written tests, Self-study, Use of different reference books and Internet resources.

13. Assessment methods are computer test, colloquiums, essays.

Individual tasks (presentations) – 15 points

Work in groups – 15 points

Control work – 20 points

Literature Review **-** 30 points

Project **-** 20 points

Students are expected to get at least 60 points in order to complete the course.

14. Course literature (recommended)

1. Institutional Economics: Textbook / V.V. Volchik, Rostov-on-Don: Publishing House of the Southern Federal University, 2015 https://hub.lib.sfedu.ru/repository/material/800392774/
2. Posypanova O.S. Economic psychology: psychological aspects of consumer behavior / OS. Posypanova -Moscow: Direct Media, 2013 . 454 p.

http://biblioclub.ru/index.php?page= book&id=142293