**Title of the course:** Economic Psychology

**Course code:** PSYM21-WO-105

**Head of the course:** Mihály Nikolett

**Academic degree:** PhD

**Position:** Associate professor

**MAB Status:** A (T)

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| **Az oktatás célja angolul** |

**Aim of the course:**

The empirical description of economic psychology based on individual behavior was born not long ago and has become very popular recently because classical economic models have not provided a satisfactory explanation for people’s economic decisions and behavior. The most important topics of the subject are the psychology of decision making; risk taking and risk management; conflict management and game theory; identity; tax fraud and corruption; success and network theory; and consumer behavior. The aim is to prove not only interesting but also useful and well-applied knowledge in the future; the subject should represent an intellectual adventure that colors and expands the picture of the economic behavior of individuals.

**Learning outcome, competences**

**knowledge:**

• Recognition and purposeful management of erroneous starting points and conclusions that typically occur during pre-decision making

• Knowledge of the role of emotions and intuition in decision making

• Interpret and manage risks

**attitude:**

• Critical thinking in the analysis and implementation of individual, economic and social decisions

• Openness to an interdisciplinary approach

**skills:**

• Enable students to analyze the process and background of political and economic decisions from a new perspective which can be important to society

• A stronger and more competent opinion-forming ability through deeper interpretations of economic psychological processes

**autonomy and responsibility:**

* Students are able to give an opinion and a description about political and economical decisions.
* The opinion should be presented in accordance with the ethical guidelines of psychology and ethical principles of the institution.

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| **Az oktatás tartalma angolul** |

**Topic of the course**

1. Introduction to economic psychology, history of economic psychology. Tom Sawyer effect.
2. Normative decision theory conception describing the rational decision-maker and psychological descriptive decision theory conception directed to actual decisions; cognitive biases in probabilistic judgment. Heuristics.
3. Inconsistent and uncertain nature of preferences, manipulability of consumer.
4. Game theory model presenting the most important decision, dilemma, communicational aspects and evolutionary game dynamics. Signal theory and contraselection.
5. Definition of corruption, presentation of its causes and effects, description of typical Hungarian research results. Tax fraud as a sociocultural phenomenon. Economic conditions, attitudes towards fraud. Social representation of taxation, willingness to pay taxes. Explanatory models of fraud
6. The role, advantages and disadvantages of expectations, emotions and norms, decisions based on intuition. Judgment of risk situations, factors influencing the assessment of danger; taking or rejecting the risk. Real life situations, significant risk and stress decisions.
7. Ethical consumption. Cultural and ethical issues in economic psychology.
8. Some of the dilemmas in consumer life. The destabilizing effect of too many choices, consumption for comfort but unsatisfactory consumption, and the disadvantages of excessive consumption.
9. The role of trust, fairness.
10. Attitudes towards money. Determinants of the relationship related to money. The effect of external-internal control on financial attitude. Decisions for the future: the power of self-regulation and self-control, the willingness to save.
11. Psychological and demographic factors influencing stock exchange trading and investor behavior.
12. Identity as a key factor in the investment in human capital. Utility theories. Preferences and inconsistencies.

**Learning activities, learning methods**

• lectures, demonstrations, situational exercises

• discussion of priority issues

• analysis of case studies

• project work

• reading literature

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| **A számonkérés és értékelés rendszere angolul** |

**Learning requirements, mode of evaluation and criteria of evaluation:**

• Knowledge of the literature and lessons

• Participation in project work, written and oral presentations of project work

**Mode of evaluation:**

Evaluation of the project work

**Criteria of evaluation:**

project work 30%, examination 70%

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| **Idegen nyelven történő indítás esetén az adott idegen nyelvű irodalom:** |

**Compulsory reading list**

* Hunyadi, Gy., Székely, M. (2003): Gazdaságpszichológia. Budapest: Osiris.

**Recommended reading list**

* Ariely, D. (2014): Zseniálisan irracionális – Az észszerűtlenség nem várt előnyei. Budapest: HVG könyvek.
* Ariely, D. – Kreisler J. (2018): A túlköltekezés pszichológiája. Budapest: HVG könyvek.
* Ariely, D. – Kreisler J. (2015): Az őszinte igazság a hazugságról – Hogyan csapjuk be önmagunkat és másokat? Budapest: HVG könyvek.
* Aronson, E. (2001): A társas lény. Budapest: KJK.
* Barabási, L. (2018): A képlet – A siker egyetemes törvényei. Budapest: Libri.
* Gladwell, M. (2005): Ösztönösen – A döntésről másképp. Budapest: HVG könyvek.
* Johnsen B. (2013): Szemléletváltás a szervezeti döntéshozatal vizsgálatában: a természetes döntéshozatal irányzata. In: Faragó Klára (szerk) Szervezet és Pszichológia Új irányzatok az ezredfordulón 2. kötet ELTE Eötvös Kiadó http/ppk.elte.hu/2009/images/stories/\_UPLOAD/DOKUMNTUMOK/Pszichológia\_phd/Szervezetés-Pszichologia\_2.\_ktet.pfd
* Kahneman D. (2012): Gyors és lassú gondolkodás. Budapest: HVG könyvek.
* Levitt, S. D. – Dubner, S. J.: Freakonomiccs. A Rogue Economist Explores the Hidden side of everything. NewYork: William Morrow.
* Mérő, L. (1996): Mindenki másképp egyforma – A játékelmélet és a racionalitás pszichológiája. Budapest:Tericum.
* Mérő, L. (2004): Az élő pénz. Budapest:Tericum.
* Mihály, N. (2015): Külső-belső gazdagság, avagy pénzügyeink a személyiségünk tükrében. Budapest: Magánkiadás.
* Scitovsky, T. (1990): Örömtelen gazdaság: gazdaságlélektani alapvetések. Budapest: Közgazdasági és jogi Könyvkiadó.

**Course-specific information (specific to a given lecture or seminar)**

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| **General data** |

**Specific (sub)title of the course (if relevant):**

**Specific (sub)code of the course (if relevant):**

**Date and place of the course:**

**Name of the lecturer:**

**Department of the lecturer:**

**Email of the lecturer:**

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| **Specific syllabus/schedule of the lecture/seminar (if relevant)** |

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| **Further specific information (eg. requirements) (if relevant)** |

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