

**Experimental Economics: ECON 885-001**

**Robinson Hall B205**

**Wednesdays 4:30-7:10**

**Spring 2019**

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**Course Objectives:** This is a course in Experimental Economics. The goals of this course are to (1) critically read and discuss some of the seminal research in Experimental Economics, (2) explore new research ideas, and (3) develop a research proposal using an economics experiment to do original research.

**Background for Course:** Graduate level microeconomic theory.

**Readings:** There is no required textbook for the course, but here are some books that most experimental economists will have in their library. Required reading and links to additional reading will be put on blackboard.

**Format:** Class will be organized around three sessions as follows:

4:30-5:15 Session One: Lecture/Discussion/Presentation  
5:15-5:25 Break  
5:25-6:10 Session Two: Lecture/Discussion/Presentation  
6:10-6:20 Break  
6:20-7:05 Session Three: Lecture/Discussion/Presentation  
7:05-7:10 Announcements

**Grading:** 20% Research Narrative, 20% Experimental Design, 20% Pilot, 40% Grant Proposal. Each of these typed reports is due on the due date. No exceptions. In addition, if you miss too many classes or fail to turn in a class discussion that can result in a failing grade.

**Grant Proposal:** A grant proposal is an attempt to get funding for your research. We will use the National Science Foundation guidelines NSF17\_1. The guideline is on blackboard. The relevant material is in chapter II. Subsection b discusses the format of the proposal and subsection c discusses the content of the proposal. Note the parts of the proposal you are responsible for are as follows: Summary page, including intellectual merit and broader impact (one page); Table of contents; Project description, skip results from prior NSF Support (at most 15 pages); References Cited; Budget and budget justification. More details are given in week one session three.

**Research Narrative:** Students are expected to type a ten-page double spaced narrative of their research program and the questions they plan to address. Narratives are due at the beginning of class in week six. Students will present their narratives during class. The elements of the narrative are discussed on week one in session two.

**Experimental Design:** Students are expected to type a ten-page double spaced narrative of their first experimental design. Designs are due at the beginning of class in week nine. Students will present their narratives during class on week nine. The elements of the experimental design are discussed on week three.

**Experiment Pilot:** Students are expected to type instructions, procedures, and worksheets for a hand run experiment that implements their first experimental design. Pilot materials are due at the beginning of class in week thirteen. Students will run a pilot session during class on week fourteen. The elements of the pilot are discussed in week ten.

**Class Attendance:** Class attendance is mandatory. If you will not be able to make class for any reason inform Professor McCabe as soon as possible before class. If you miss a class you must still turn in a class discussion. Missing too many classes or failing to type up and submit your class discussions can result in a failing grade.

**Class Discussion:** Students are expected to read the discussion paper. For each paper students are expected to type a one paragraph answer to each of the following four questions.

Q1: What is the research narrative for this paper?

Q2: What is the research question answered by this paper?

Q3: What question would you have for the author(s) if you meet them at a conference?

Q4: What additional research questions could you ask using this paper as a parent paper?

During a reading of the paper students should outline the argument made for the main result in the paper and how it answers the research question. This is discussed in week one session one.

**Blackboard:** Class announcements, schedule of readings, and other important information will be posted on Blackboard.

**Academic Integrity:** You are expected to follow the George Mason's Honor Code, <http://universitypolicy.gmu.edu>.

**Disabilities** If you are a student with a disability and you need academic accommodations please see me and contact the Office of Disability Services at (703) 993-2474. All academic accommodations must be arranged through that office. You must contact me within the first week of classes to make arrangements.

## Course Outline

There will most likely be changes during the semester as we adjust for time to cover the topics listed below and student interest. Any changes will be announced in class.

Week	Topic	Session One	Session Two	Session Three
1	Building a Research Program	Reading the Literature	Research Narratives	Grant Proposals
2	Market Price Discovery	Two-Sided Negotiations	Double Auction	Posted Offer
3	Designing Economics Experiments	Microeconomic Systems	Randomized Designs	Human Subjects
4	Decision Making	Risk Preferences	Information Cascades	Optimal Search
5	Exchange Experiments	Bargaining and Ultimatum Offers	Trust and Information	Punishment and Reputations
6	Research Narrative	Student Presentations	Student Presentations	Student Presentations
7	Market Design	Sealed Bid-Offer Auctions	Continuous Call Auctions	Combinatoric Markets
8	Money Experiments	Store of Value	Medium of Exchange	Money and Trust
9	Experimental Design	Student Presentations	Student Presentations	Student Presentations
10	Experimental Procedures	Hand Run Experiments	Subject Instructions	Subject Understanding
11	Asset Markets	Speculative Bubbles	Risk Sharing	Housing Markets
12	Computational Experiments	Santa-Fe Tournament	Zero Intelligence	Adaptive Learning
13	Virtual World Experiments	Understanding Virtual Worlds	Hurricane Island	Spatial Game Experiments
14	Pilot Experiment	Student Presentations	Student Presentations	Student Presentations