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		06-85	R-9-06	

**Curriculum Proposal Cover Sheet - University-Wide Undergraduate Curriculum Committee**

Contact Person Stephanie M. Jozefowicz	Email Address Stephanie.Jozefowicz@iup.edu
Proposing Department/Unit Economics	Phone 724-357-2640

Check all appropriate lines and complete information as requested. Use a separate cover sheet for each course proposal and for each program proposal.

<b>1. Course Proposals (check all that apply)</b> <input checked="" type="checkbox"/> New Course <input type="checkbox"/> Course Prefix Change <input type="checkbox"/> Course Deletion <input type="checkbox"/> Course Revision <input type="checkbox"/> Course Number and/or Title Change <input type="checkbox"/> Catalog Description Change		
<u>Current</u> Course prefix, number and full title		<u>Proposed</u> course prefix, number and full title, if changing
		ECON 405 Experimental Economics
<b>2. Additional Course Designations: check if appropriate</b> <input type="checkbox"/> This course is also proposed as a Liberal Studies Course. <input type="checkbox"/> Other: (e.g., Women's Studies, Pan-African) <input type="checkbox"/> This course is also proposed as an Honors College Course.		
<b>3. Program Proposals</b> <input type="checkbox"/> New Degree Program <input type="checkbox"/> Program Title Change <input type="checkbox"/> Other <input type="checkbox"/> New Minor Program <input type="checkbox"/> New Track <input type="checkbox"/> Catalog Description Change <input type="checkbox"/> Program Revision		
<u>Current</u> program name		<u>Proposed</u> program name, if changing
<b>4. Approvals</b>		<b>Date</b>
Department Curriculum Committee Chair(s)	<i>David B. Yergin</i>	8/16/06
Department Chair(s)	<i>Will Kip</i>	8/16/06
College Curriculum Committee Chair	<i>Wanda Qi</i>	9/6/06
College Dean	<i>A. arm</i>	9/6/06
Director of Liberal Studies *		
Director of Honors College *		
Provost *		
Additional signatures as appropriate: (include title)		
UWUCC Co-Chairs		

Received\* where applicable

SEP 11 2006

Liberal Studies

## Section A: Details of the Course

- A1 How does this course fit into the programs of the department? For which students is the course designed? (majors? students in other majors? liberal studies?) Explain why this content cannot be incorporated into an existing course.**

From <http://nobelprize.org/economics/laureates/2002/public.html> regarding the 2002 Nobel Prize in Economics awards:

Traditionally, economic theory has relied on the assumption of a "homo economicus", whose behavior is governed by self-interest and who is capable of rational decision-making. Economics has also been regarded as a non-experimental science, where researchers – as in astronomy or meteorology – have had to rely exclusively on field data, that is, direct observations of the real world. During the last two decades, however, these views have undergone a transformation. Controlled laboratory experiments have emerged as a vital component of economic research and, in certain instances, experimental results have shown that basic postulates in economic theory should be modified. This process has been generated by researchers in two areas: cognitive psychologists who have studied human judgment and decision-making, and experimental economists who have tested economic models in the laboratory. This year's prize is awarded to the innovators in these two fields: Daniel Kahneman and Vernon Smith.

The Experimental Economics course has been designed as an introduction to laboratory methods and testing used to study economic behavior. The course covers basic laboratory techniques and examines the most common laboratory trading institutions. The course will examine applications of experimental methods to areas such as bargaining and auctions, public and externalities, game theory and individual choice.

The course would be an elective course for majors and for non-majors. This course has not been proposed for inclusion into the Liberal Studies course list.

Experimental economics is a subject with increasing breadth and depth, and content extends far beyond any existing courses to fully equip students with an appropriate level of knowledge and a toolkit necessary to conduct and analyze economic experiments.

- A2 Does this course require changes in content of existing courses? If catalog descriptions of other courses or department programs must be changed as a result of the adoption of this course, please submit as separate proposals all other changes in courses and/or program requirements.**

This course does not require changes in any other course in the department.

- A3 Has this course ever been offered at IUP on a trial basis (e.g. as a special topic)? If so, explain the details of the offering (semester/year and number of students).**

This class was first offered as a special topics course under the ECON 281 course designation in Spring 2001, and twenty students registered for it. Based on the feedback of the students, some minor modifications were made. The course then was

offered in Spring 2002, and twelve students registered for it. Some additional minor fine-tuning has been made following feedback from the fourteen students who registered for the course during the Spring 2004 semester. Each time the class has been offered, student comments have been positive. The students in the class tend to be economics majors (either primary or secondary).

**A4 Is this course to be a dual-level course? If so, please note that the graduate approval occurs after the undergraduate.**

This course is not intended to be dual level.

**A5 If this course may be taken for variable credit, what criteria will be used to relate the credits to the learning experience of each student? Who will make this determination and by what procedures?**

This course is not to be taken for variable credit.

**A6 Do other higher education institutions currently offer this course? If so, please list examples (institution, course title).**

This course is unique in design because it combines classroom instruction and hands-on experience conducting experiments as components of the course. A growing number of institutions have offered experimental economics at the undergraduate level. To my knowledge a similar course is offered in Pennsylvania at Saint Vincent College (EC 390 Experimental Economics) and the University of Pittsburgh (Economics 2220 Topics in Experimental Economics).

**A7 Is the content, or are the skills, of the proposed course recommended or required by a professional society, accrediting authority, law or other external agency? If so, please provide documentation.**

No professional society recommends or requires the content or skills of this proposed course. There is no accrediting authority, law or other external agency for economics.

**Section B: Interdisciplinary Implications**

**B1 Will this course be taught by instructors from more than one department or team taught within the department? If so, explain the teaching plan, its rationale, and how the team will adhere to the syllabus of record.**

This course will be taught by one instructor.

**B2 What is the relationship between the content of this course and the content of courses offered by other departments? Summarize your discussions (with other departments) concerning the proposed changes and indicate how any conflicts have been resolved. Please attach relevant memoranda from these departments which clarify their attitudes toward the proposed change(s).**

The content of this course does not overlap with any other at the University.

- B3 Will this course be cross-listed with other departments? If so, please summarize the department representatives' discussions concerning the course and indicate how consistency will be maintained across departments.**

This course is not cross-listed.

- B4 Will seats in this course be made available to students in the School of Continuing Education?**

Continuing Education students may enroll, even though no seats are specifically available.

### **Section C: Implementation**

- C1 Are faculty resources adequate? If you are requesting or have not been authorized to hire additional faculty, demonstrate how this course will fit into the schedule(s) of current faculty. What will be taught less frequently or in fewer sections to make his possible? Please specify how preparation and equated workload will be assigned.**

The current resources of the Department of Economics are adequate to teach this course. No new faculty member is required to teach this course. This course will be counted as one preparation and three hours of equated workload.

- C2 What other resources will be needed to teach this course and how adequate are the current resources? If not adequate, what plans exist for achieving adequacy. Reply in terms of the following:**

**Space:** Current space allocations are adequate to offer this course. Existing CHSS policies allow the reservation of computer laboratory space on a first-come, first-serve basis. Existing computer lab facilities will be sufficient for the needs of this course.

**Equipment:** No special equipment is needed to offer this course. Existing CHSS policies allow the reservation of computer laboratory space on a first-come, first-serve basis. Existing computer lab facilities will be sufficient for the needs of this course.

**Laboratory Supplies, etc.:** No laboratory supplies are needed to offer this course.

**Library Materials:** Library holdings, particularly JSTOR, are adequate.

**Travel Funds:** No travel funds are necessary to offer this course.

- C3 Are there any resources for this course funded by a grant? If so, what provisions have been made to continue support for this course once the grant has expired? (Attach letters of support from Dean, Provost, etc.)**

None of the resources for this course are funded by a grant.

- C4 How frequently do you expect this course to be offered? Is this course particularly designed for or restricted to certain seasonal semesters?**

This course will be offered every other spring semester.

**C5 How many sections of this course do you anticipate offering in any single semester?**

One section of this course will be offered in any single semester.

**C6 How many students do you plan to accommodate in a section of this course? What is the justification for this planned number of students?**

Up to 25 students can be accommodated in this course for which each student completes a group experiment demonstration project and for which several class periods will occur in a CHSS designated computer lab.

**C7 Does any professional society recommend enrollment limits or parameters for a course of this nature? If they do, please quote from the appropriate documents.**

No professional society recommends enrollment limits or parameters for this course.

**C8 If this course is a distance education course, see the Implementation of Distance Education Agreement and the Undergraduate Distance Education Review Form in Appendix D and respond to the questions listed.**

This course does not involve the use of distance education.

**Section D: Miscellaneous**

**Include any additional information valuable to those reviewing this new course proposal.**



Week 10 (3 hours): Trust/reciprocity literature continued; MAJOR EXAM #2

Week 11 (3 hours): Externalities, rivalry, excludability; Public goods literature

Week 12 (3 hours): Public goods literature continued; Charitable giving

Week 13 (3 hours): Common pool resource literature; Computer Lab #3

Week 14 (3 hours): Common pool resource literature continued; Field study topics

[Week 15 (2 hours): FINAL EXAM]

#### IV. Evaluation Methods

The course will be a mixture of lecture, research in-class small group discussion, economic experiment preparation and presentation, and computer lab activities. Students are expected to read the material when assigned, prepare for and participate in small group in-class discussions, and prepare and demonstrate a classroom-based economic experiment. An individual student's final course grade will be determined as a weighted average of grades he/she earned on the various assigned activities.

The weights are as follows:

Class Participation:	5%
Summary Outlines:	15%
In-Class Small Group Discussion Question Assignments:	15%
Group Project–Experiment Preparation and In-Class Presentation:	5%
Peer/Self-Evaluation:	2%
Major Exam #1:	19%
Major Exam #2:	19%
Final exam:	<u>20%</u>
	100%

The course will use the following grading scale: (The standards are based on the below percentage distribution. Changes to the distribution may be made at the instructor's discretion, but any changes will be strictly in the students' favor in terms of expanding the ranges to include lower grade percentages.)

90 % - 100 %	A
80 % - 89 %	B
70 % - 79 %	C
60 % - 69 %	D
< 60 %	F

#### Description of activities:

*Class Participation:* Due to the hands-on nature of learning about experimental economics by participating in experiments, there will be a class participation component of the grade. Participation in most economic experiments can only occur when a student is physically present in class, since there is a simultaneous decision-making element for these economic experiments. Hence, economic experiment participation points cannot be made up in the event of an absence. Participation in in-class economic experiments will comprise 5% of the final course grade. Aside from the need to be present to

participate in the economic experiments for this course, all students will be expected to participate fully in the discussion of materials. Students routinely will be called upon to provide definitions of terms, examples for theories under consideration, and theories for examples under discussion.

*Summary Outlines:* Students will be asked to read an average of one published or working research paper related to a specific branch of the experimental economic literature each week. By reading one of these papers, students should be able to get a sense of the background research leading to the paper, the significance of the paper, an example of at least one experimental design within the particular branch of the literature, an example of the parameters used in implementing the experiment(s), and a grasp of the meaning of the basic results of the study. Students will NOT be responsible for understanding the mathematical and econometric theory used in testing the data and generating the results, since this material is beyond the scope of the present course. Students will be asked to type an outline of the papers they are asked to read. The summary outlines will comprise 15% of the final course grade.

*In-Class Small Group Discussion Question Assignments:* The design of this course intentionally implements a collaborative learning style teaching process. Students will be assigned to one of several small groups which will have 3-4 members each. Students will work with the others in the group to answer questions related to the reading assignments. Preparation for small group discussions will involve reading the assigned paper and writing an outline. Preparation will have an impact on the success of the group in discussing and answering specific questions regarding the paper. In-class assignments will be due by the end of the class period. If a student must miss class, he/she will have to answer the discussion questions on his/her own. However, since a significant component of these discussion assignments is *discussion* with the small group members, points will be deducted if a student is not present in class. In-class small group discussion question assignments will comprise 15% of the final course grade.

*Group Project—Experiment Preparation and In-Class Presentation:* Students will be assigned to work with at least one other person in the class. Each group will be given a paper to read regarding a specific classroom experiment. Each group will prepare the necessary materials and be in charge of conducting the experiment on an assigned day of class. This assignment is designed to give students experience actually running an economic experiment. This assignment will count as 5% of the final course grade.

*Peer/Self-Evaluation:* Periodically students will be asked to complete an evaluation instrument regarding their other small group members, as well as, themselves. The instrument will ask each student to rate each group member's participation and preparedness with respect to completing the in-class assignments. This evaluation instrument is being included to increase the incentive to really be prepared for class since a student's level of preparedness will have a spillover (either positive or negative) on other group members. The evaluations will count as 2% of the final course grade.

*Major Exams:* There will be two major exams given in class during the semester. Each exam will be worth 100 points, and each will count as 19% of the final semester grade. The *tentative* exam dates are Major Exam #1: (Exam #1 Date) and Major Exam #2: (Exam #2 Date). Exam questions will stress analysis including short essay questions, numerical problem solving, and defining terms or concepts. Students may be asked to



use graphs to illustrate their reasoning. Exams will be based on the material covered in class and the assigned readings.

*Final Exam:* There will be a final exam given on (Final Exam Date) from (Final Exam Time) in (Final Exam Location). The final exam will have the same format as the major exams. The final exam will be comprehensive, covering all of the course material for the whole semester. The final exam will count as 20% of the final semester grade.

V. **Required Textbooks, supplemental books and readings**

Students can access required articles either by purchasing an assembled Course Packet or by downloading them from JSTOR through the IUP Libraries web pages and from Charles Holt's Classroom Games web page:  
<http://www.people.virginia.edu/~cah2k/teaching.html>.

Course Packet option: The course packet will be available at Copies Now under Dr. S. Jozefowicz's name for ECON 405 Experimental Economics.

VI. **Special Course Requirements**

None.

VII. **Bibliography**

A detailed bibliography is attached.

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Williams, Arlington W. and Vernon L. Smith (1984) "Cyclical Double-Auction Markets with and without Speculators." *Journal of Business*. 57 (1): 1-33.

Re: docket attached

**Subject:** Re: docket attached  
**From:** "Gail S. Sechrist" <gailsech@iup.edu>  
**Date:** 8/12/2013 4:51 PM  
**To:** Sharon Aikins <saikins@iup.edu>

Sharon,  
I see that you still have ECON 405 and PSYC 356 on the 2013-14 Docket these were  
the two that were to be removed for inactivity.  
So number 1 should be FIN 360  
Gail