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| <b>Veranstalter</b>          | <b>Annette Deutschendorf</b>                   |
| <b>Thema</b>                 | <b>The Psychology of Business Transactions</b> |
| <b>Art der Veranstaltung</b> | <b>Wirtschaftsenglisch D</b><br>[ENG-20]       |
| <b>Veranstaltungsnummer</b>  | <b>53-645</b>                                  |
| <b>Zeit</b>                  | <b>2st. Fr. 10-12</b>                          |
| <b>Raum</b>                  | <b>Phil 701</b>                                |
| <b>Beginn</b>                | <b>21.10.2011</b>                              |

### Course description:

- Why do many people spend unexpected sums (birthday money, tax refunds,...) on impulse purchases even if they are behind with their bills?
- How can a cleverly designed wine list help restaurants to make more profit?
- How can companies help employees to save for their retirement?

These are some of the questions behavioural economics, a relatively recent branch of economics, seeks to answer, for example with the theory of mental accounting which tries to answer the first question above. In short, it challenges the traditional economic assumption that our decisions are guided by rationality and selfishness.

Sometimes small details in the way choices are presented, so-called nudges, can make a great difference, for example by helping us to save more. How this works is explained by Richard Thaler, a leading American researcher in the field of behavioural finance, in his book *Nudge*. A number of chapters from this book will be set as homework reading to form the basis of our discussions in class.

Each participant is required to give a presentation on a topic from behavioural economics which will be graded (more information on topics, our course website etc. will be provided in the first session) and pass the end-of-term exam.

### Course requirements:

- Business English courses A, B and C (Bachelor) or equivalent
- Presentation
- Regular attendance and active participation
- End-of-term exam

### Course book

Richard Thaler, *Nudge*, Penguin Books (around € 10)

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| Sprechstunde während der Vorlesungszeit:         | Montag 16-17 Uhr, Phil 1157  |
| Sprechstunden während der vorlesungsfreien Zeit: | Nach Vereinbarung per e-mail |