

MBA – Focusing on Entrepreneurship, Innovation & Technology Management

Course Title: Behavioral Economics and Ethics

Course Number: 980748

Number of credit points 2

Time and place: Thursdays 18:00-21:30 Room 216

Course Instructor: Asso. Prof. Kinneret Teodorescu

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Meeting time for students: by appointment

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Meeting time for students: by appointment

Syllabus:

Course Content & Scope:

Traditional economic models often make arbitrary assumptions regarding the way economic agents behave. Behavioral economics is the effort to ground such assumptions in investigation and experimentation of actual human behavior. The course will introduce participants to research in behavioral economics: by reviewing varied experimental findings we will explore judgment and decision making biases made by consumers, managers and humans in general. In addition, following introductions to moral philosophy and business ethics, we will examine recent findings in behavioral economics to better understand the nature and nurture of (un)ethical behaviors. Lastly, the applied aspect of the course will include a behavioral change project in which students will develop interventions to be applied in their workplace.

Course Objectives:

The main objective is to learn the complex nuances, methodologies, as well as criticism of and about behavioral economics. In addition, and from a practical point of view, participants will learn to identify counterproductive and/or undesirable behaviors, to understand when they are expected to occur and effective vs. ineffective interventions to overcome them.



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Teaching Methods:

Lectures, discussions, self-experimentation, case studies, class activities and a final project.

Teaching Materials:

Class slides, book chapters and journal papers.

Readings:

Before/during the course:

Compulsory:

- Thaler, R. H., & Sunstein, C. R. (2009). *Nudge : improving decisions about health, wealth, and happiness* (1st ed.). Penguin Books.

Recommended:

- Ferrell, O. C., & Fraedrich, J. (2016). *Business Ethics: Ethical Decision Making & Cases*. Cengage Learning.

During the course:

Recommended: detailed in the course plan below.

Student Assessment:

12% Active participation in 6 out of the 7 lessons

36% Intervention project (presented in the final class and submitted after the exam)

52% Exam (multiple-choice, based on class material and compulsory reading)

* Reserve duty and special cases please contact the TA after the first class.

Exam: December 23rd 2025(Tuesday!)

>Moed B: January 6th 2026

Course Plan:

Lesson 1 (30.10.25): Introduction and rationality

- Stages in the decision-making process
 - Biases and evolutions
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- Expected utility theory
- Violation of EU axioms

Camerer, C., & Loewenstein, G. (2004). *Behavioral economics: Past, present, future*. Chapter 1 in “*Advances in behavioral economics*”

Lesson 2 (6.11.25): Prospect theory and applications

- Prospect theory
- Applications

Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. *Econometrica: Journal of the Econometric Society*, 263-291.

Camerer, C. F. (2004). Prospect theory in the wild: Evidence from the field. *Advances in behavioral economics*, 148-161 (chapter 5).

Johnson, E. J., & Goldstein, D. (2003). Do defaults save lives?. *Science*, 302(5649), 1338-1340.

Vigna, S. D., & Malmendier, U. (2006). Paying not to go to the gym. *The American Economic Review*, 96(3), 694-719.

Lesson 3 (13.11.25): 2 systems and judgment biases, ecological rationality

- 2 systems and Judgment biases
- Gigerenzer’s criticism and ecological rationality

Tversky, A., & Kahneman, D. (1974). Judgment under uncertainty: Heuristics and biases. *science*, 185(4157), 1124-1131.

Todd, P. M., & Gigerenzer, G. (2000). Précis of simple heuristics that make us smart. *Behavioral and brain sciences*, 23(05), 727-741.

Lesson 4 (20.11.25). Learning and interventions

- Decisions from experience
- Interventions
- Nudge

Erev, I., & Roth, A. E. (2014). Maximization, learning, and economic behavior. *Proceedings of the National Academy of Sciences*, 111(Supplement 3), 10818-10825.

Erev, I., & Rodensky, D. (2004). Gentle enforcement of safety rules. A Final Report of a Research Supported by the Committee for Accident Prevention in the Israeli Ministry of Industry & Commerce. *Technion, Haifa, Israel*. Hebrew.

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Shavit, Y., Roth, Y., & Teodorescu, K. (2021). Promoting healthy eating behaviors by incentivizing exploration of healthy alternatives. *Frontiers in Nutrition*, 8, 658793.

Lesson 5 (27.11.25): Ethics and experimental investigations of dishonesty

- Moral philosophy: deontology vs. utilitarianism
- Experimental findings in behavioral ethics

Bartels, D. M., & Pizarro, D. A. (2011). The mismeasure of morals: Antisocial personality traits predict utilitarian responses to moral dilemmas. *Cognition*, 121(1), 154-161.

Gneezy, U. (2005). Deception: The role of consequences. *The American Economic Review*, 95(1), 384-394.

Mazar, N., Amir, O., & Ariely, D. (2008). The dishonesty of honest people: A theory of self-concept maintenance. *Journal of marketing research*, 45(6), 633-644.

Shalvi, S., Dana, J., Handgraaf, M. J., & De Dreu, C. K. (2011). Justified ethicality: Observing desired counterfactuals modifies ethical perceptions and behavior. *Organizational Behavior and Human Decision Processes*, 115(2), 181-190.

Gerlach, P., Teodorescu, K., & Hertwig, R. (2019). The truth about lies: A meta-analysis on dishonest behavior. *Psychological bulletin*, 145(1), 1-44.

Teodorescu, K., Plonsky, O., Ayal, S., & Barkan, R. (2021). Frequency of enforcement is more important than the severity of punishment in reducing violation behaviors. *Proceedings of the National Academy of Sciences*, 118(42).

Lesson 6-7 (4-11.12.25): Interventions and behavioral change

- Intervention project
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