

# Syllabus

Decision Making: Psychology 458/558 (CRN: 15502/15501)

Class: **8:30-9:50 am MW in 146 Straub**

Instructor: **Ellen Peters, Ph.D.**

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Office Hours: **After class MW at 9:50am in Straub 212 and by appointment at DR**

- How do we make choices among people and goods?
- How do we form judgments and make predictions?
- How rational are we? What does “rational” mean?
- What factors bias our decisions and judgments?
- How can we understand and improve our decisions?

We make decisions everyday. Some of these decisions shape the future course of our lives (e.g., choosing a mate, selecting a career). Other decisions have less impact on our lives (e.g., what to eat for dinner, what laundry detergent to purchase). The field of psychological decision-making, which we will study in this course, examines the mechanisms that underlie these choices, preferences, and judgments, and it attempts to discover how to improve decision-making processes.

In this course you will learn about research and theories in judgment and decision making as well as in social and cognitive psychology that address the questions raised above. More importantly, you will learn to think more carefully about decisions and judgments that you and other people make, and you will gain insights into the complexities of human choices and judgments as well as increase your awareness of the mechanisms that guide your own behavior.

Decision research comes from very rationalistic origins and has concentrated mostly on cognitive reasons as explanations for how people make decisions and form judgments. The implicit assumption that good decision making is a conscious, deliberative process has been one of the field's most enduring themes. The field itself was a reaction to how economists model decision makers. Recent research has focused on the role of emotion.

## Course format.

1. **Reading.** For each lecture, you will read chapters from the textbook and/or original articles from the course packet (both of which are available at the U of O Bookstore). The textbook introduces you to the general themes, whereas the articles provide in-depth analyses of certain topics. Some articles are quite challenging and require knowledge of research methods and statistics. (Note that Psychology 302 and 303, or equivalent, are prerequisites for this class.)
2. **Lectures.** The lectures will integrate the assigned reading material but also provide new research, theories, and applications of the various topics. You will see a few videos and also participate in group discussions and brief demonstrations. You will receive credit for your participation.
3. **Midterm and Final.**
4. **Optional biweekly papers.** You will have the option of doing five homework assignments (3-5 pages each) about the articles and chapters you will read or the ideas we discuss in class. The first assignment will be discussed in more depth on the second day of class. Exam questions will sometimes be adapted from the papers.
5. **(Optional) term paper.** This project is optional for those taking the undergraduate level Psy 458, but is mandatory for those students taking the graduate level Psy 558.

<u>Topic</u>	<u>Readings</u>	<u>Assignment due at beginning of class in the classroom</u>
<u>September</u>		
27 & 29	Introduction, themes, and survey Reasons Discuss optional short papers	Ch.2, R1
<u>October</u>		
4 & 6	Expected Utility (EU)	Ch.7, Ch. 8
11 & 13	Models of decision making Framing, context, and constructed preferences	Ch.9 Ch.4, Ch.5, Ch.6, R2
18 & 20	Adopting, maintaining, and giving up beliefs. Review for the midterm	Optional topic due 10/11 Optional HW 1 due 10/13  Optional HW 2 due 10/20 Bring your questions.
25	MIDTERM	Midterm , October 25
27	Probability and Baye's Theorem	
<u>November</u>		
1 & 3	Heuristics and biases Whose biases are they?	Ch.10, Ch.11, Ch.13 R4  Optional outline due 11/1 Optional HW 3 due 11/3
8 & 10	Overconfidence Hindsight and Prediction Perceptions of chance and risk	Ch19 Ch.3, Ch.15 Ch.14, Ch.12
15 & 17	Intuition and rationality	R5, R6
22 & 24	Emotion	R7, R8, R9
29	Age and decision making	R10
<u>December</u>		
1	Making better decisions Review for the final.	R11, Ch.21, Afterword  Optional HW 5 due 12/1 Bring your questions. Optional term paper due 12/1
7	FINAL	Final – Tues, December 7, 10:15 am

**\*\*\* Any changes will be announced in class \*\*\***

This reading list is for the Fall 2004 course, Psychology 458/558, The Psychology of Judgment and Decision Making.

Required readings are available at the U of O Bookstore.

Plous, S. (1993). The Psychology of Judgment and Decision Making. New York: McGraw-Hill, Inc.  
Reading Packet

Reading Packet:

- R1. Shafir, E., Simonson, I., & Tversky, A. (1993). Reason-based choice. Special Issue: Reasoning and Decision Making. Cognition, 49, 11-36.
- R2. Slovic, P. (1995). The construction of preference. American Psychologist, 50, 364-371.
- R3. Gilbert, D. T. (1991). How mental systems believe. American Psychologist, 46, 107-119.
- R4. Kahneman, D. (2003). A perspective on judgment and choice: Mapping bounded rationality. American Psychologist, 58(9), 697-720.
- R5. Slovic, P., Finucane, M.F., Peters, E., & MacGregor, D. (2002). The affect heuristic. In T. Gilovich, D. Griffin, & D. Kahneman (Eds.), Intuitive Judgement: Heuristics and Biases. Cambridge University Press.
- R6. Slovic, P. (2001). Cigarette smokers: Rational actors or rational fools? In Smoking: Risk, Perception, and Policy (P. Slovic, Ed.) Sage Publications: Thousand Oaks, CA. pp97-126.
- R7. Vogel, G. (1997). Scientists probe feelings behind decision-making. Science, 275, 1269.
- R8. Bechara, A., Damasio, H., Tranel, D., & Damasio, A. R. (1997). Deciding advantageously before knowing the advantageous strategy. Science, 275, 1293-1295.
- R9. Isen, A. M. (2000). Positive affect and decision making. In M. Lewis & J. M. Haviland (Eds.), Handbook of Emotions, 2<sup>nd</sup> edition. pp. 417-435.
- R10. Peters, E., Finucane, M.F., MacGregor, D., & Slovic, P. (1999). The bearable lightness of aging: Judgment and decision processes in older adults. In The Aging Mind: Opportunities in Cognitive Research, P. C. Stern and L. Carstensen (Eds.) pp.144-165.
- R11. Keeney, R. L. (1993). Value-focused Thinking: A Path to Creative Decision Making. Cambridge: Harvard University Press. pp. 3-28, 372-400.

### **Required exams:**

There are two exams: a **midterm** and a **final**. How much each is worth towards your final grade will depend on which grade option you choose. See below. The exams will consist of multiple choice and short-answer questions. For both exams, the questions will be based on the textbook, reading packet, and lectures. If you are not able to complete an exam at the scheduled time, you must talk to me before the exam. Special arrangements are possible only in cases of illness, significant family events (marriage, death of a relative), and collegiate athletic events. No other exceptions will be made. If you plan to leave early for the term and will miss the scheduled final, you should not take this class.

### **Optional assignments:**

**Biweekly papers.** You will have many new ideas and make many new observations this term. I will ask you to share your ideas on five topics. Each paper should be double-spaced, and typed or computer-printed. The quality of your writing, including spelling, will count for at least 20% of these grades. Edit and spell check. I recommend doing these papers.

You will be asked to write five (3-5 page) papers about an article you read, or an idea we discussed in class (one paper will really be a homework assignment on Bayes' Theorem). A paper contains your intellectual reaction to a topic covered in lecture or to an article/chapter from the course readings. You will usually have a choice among 2 or 3 topics. It is also possible to design your own topic, but you will need to speak with me no later than the class after I handout an assignment in order to obtain permission for an individualized topic. Ten percent of the points per day will be taken off for late papers (Best: email late papers to me. Acceptable but not best: turn them into the front office and be sure it has my name on it and is time/date stamped). To be considered on time, **assignments are due in the classroom at the beginning of class on the due date.**

**Term Paper (optional for Psy 458, required for Psy 558).** You will write a scholarly term paper (suggested length: 15-25 pages) on a topic of your choice within judgment and decision making. Papers should review the relevant literature in decision making on your chosen topic. You could also suggest an experiment to answer some unanswered question in the field.

You must submit your topic for approval by October 11 (10/11). Once approved, you must submit an outline of your paper by November 1 (11/1). The final paper is due the last day of class (12/1). Ten percent of the points per day will be taken off for late papers (email late papers to me). Remember, to be considered on time, assignments are due in class by the beginning of class on the due date.

### **Grading:**

<u>Grading Options</u>	<u>1</u>	<u>2</u>	<u>3*</u>	<u>4*</u>
Required midterm	30%	40%	30%	25%
Required final	35%	55%	35%	30%
Required participation	5%	5%	5%	5%
Optional short papers (5)	30%	0%	0%	20%
Optional final paper	0%	0%	30%	20%

\* Graduate students must choose option 3 or 4.

A perfect grade would consist of 100 points. Grading will be based on your final number of points.

A  $\geq$  90 points; B  $\geq$  80 points; C  $\geq$  70 points; D  $\geq$  60 points; F < 60 points. Grades will be curved, if necessary, in order to ensure that there are at least 20% A's, 40% B's, and 20% C's. If there are more people than that in each of these categories, I won't curve the other way however. In other words, if everyone gets over 90 points, then everyone will get an A.

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