

Syllabus

Decision Making: Psychology 458 (CRN: 38152)

Class: **2-3:20 pm in Gerlinger 302**

Instructor: **Stephan Dickert.**

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Office Hours: Monday at 2-3pm , Wednesday at 11am-12pm, and by appointment

- 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 (the book is available at the U of O Bookstore and the article will be posted online on Blackboard). 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 and Participation.** The lectures will integrate the assigned reading material but also provide new research, theories, and applications of the various topics. You will participate in group discussions, class surveys, brief demonstrations, and possibly some homework. You will receive credit for your participation.
3. **Midterm and Final.**
4. **Term paper.** You will write a project proposal or review paper drawing upon research and theory discussed in class and by the readings. You may work in groups of 2 and will have to demonstrate your knowledge of decision making research and methods in your proposal.

	<u>Topic</u>	<u>Readings</u>	<u>Assignment due at beginning of class in the classroom</u>
<u>April</u>			
4 & 6	Introduction, themes, and survey Reasons	Ch.2, R1	
11 & 13	Expected Utility (EU)	Ch.7, Ch. 8	
18 & 20	Models of decision making Framing, context, and constructed preferences	Ch.9 Ch.4, Ch.5, Ch.6, R2	
25 & 27	Adopting, maintaining, and giving up beliefs. Review for the midterm	Ch1, Ch.20, R3	Bring your questions.
<u>May</u>			
2	MIDTERM		
4	Probability and Baye's Theorem		
9 & 11	Heuristics and biases Whose biases are they?	Ch.10, Ch.11, Ch.13 R4	Paper Topic due 5/11
16 & 18	Overconfidence Hindsight and Prediction Perceptions of chance and risk	Ch19 Ch.3, Ch.15 Ch.14, Ch.12	
23 & 25	Intuition and rationality	R5, R6	Paper Outline due 5/25
30	Emotion	R7, R8, R9	
<u>June</u>			
1	Individual Differences	R12	
6 & 8	Age and decision making Making better decisions Review for the final.	R10 R11, Ch.21, Afterword	Bring your questions. Term paper due 6/6
13	FINAL		Final – Tues, June 13, 1pm

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

This reading list is for the Spring 2006 course, Psychology 458, 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 available online on Blackboard:

- 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, 2nd 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.
- R12. Peters, Ellen, Daniel Vastfjall, Paul Slovic, C. K. Mertz, Ketti Mazzocco, and Stephan Dickert (2005), "Numeracy and Decision Making," Working Paper.

Required exams:

There are two exams: a **midterm** and a **final**. The exams will consist of multiple choice and short-answer questions. For both exams, the questions will be based on the textbook, research articles, 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.

Class Participation:

You will be asked to participate in class discussions, surveys, and also some homework. The class discussions are designed to provide you with an opportunity to critically think about and share your thoughts on the topics we cover in this course. The class surveys are designed to give you exposure to decision making research and enhance your understanding of the methods and materials that are commonly used. I will also consider assigning homework related to the reading to help you focus on the important aspects presented therein.

Term Paper :

You will write a scholarly term paper (suggested length: 10-15 pages) on a topic of your choice within judgment and decision making. I highly recommend that you choose to co-author the paper with someone else in class because some of the best papers in the field have been the result of collaboration. Papers should review the relevant literature in decision making on your chosen topic or suggest an experiment to answer some unanswered question in the field.

You need to meet with me prior to choosing a topic, which is due at the beginning of class on May 11th, 2006. Once approved, you must submit an outline of your paper by May 25th, 2006. The final paper is due the last week of class (6/6). 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:

Midterm	25%
Final	35%
Participation	10%
Paper	30%

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 may be curved, if necessary, however I won't grade downward.

*** Any changes to this syllabus will be announced in class. ***