

Psychology 458/558 – Decision Making

Tue & Thu., 8:30 –9:50, STB 142

Instructor: Dr. Catrin Rode

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Straub 326

Office hour: Tuesday 10:00 – 11:00 & by appt.

Description: We make decisions every day. Research on human judgment and decision-making examines the mechanisms that underlie choices, preferences, and judgments, and it attempts to discover ways to improve decision-making processes. In this course you will learn about theories in judgment and decision making. Topics and findings from basic research as well as from applied fields such as medical or financial decision making will be covered. As you will learn about psychology of judgment and decision making, you will become more critical about your own and other peoples' choices.

My goals for this class are: 1) to give you theoretical and empirical knowledge of the principles of judgment and decision making; and 2) to teach you how to apply those principles to real life situations. You will learn to evaluate your own and other peoples' decision making processes critically.

This class requires willingness to participate in classroom exercises.

Textbook: *The Psychology of Judgment and Decision Making*, Scott Plous,
McGraw Hill, Inc., New York

The class is based on this textbook. However, sessions will go beyond the book and will cover other topics that are not included in the textbook. So:

ATTENDANCE IS MANDATORY!

Course material will be posted on blackboard, so if you missed a class you may use the lecture notes on blackboard. Please note that quiz questions may be referring to material just presented in class!

Schedule:

Week 1:	Intro, survey Guest speaker: Randy Harrington, Ph.D. CEO and founder of Extreme Arts and Sciences
Week 2:	EU, SEU, certainty effect Prospect Theory/ loss aversion (Chapt. 7, 8,9)
Week 3:	Framing Reason based choice (Chapt. 7,8,9)
Week 4:	Midterm 1 Heuristics and biases Representativeness Availability (Chapt. 10,11)
Week 5:	Base rate neglect Biases in the real world
Week 6:	Randomness and Chance Risk Perception (Chapt. 12,14)
Week 7:	Midterm2 Group processes
Week 8:	Decision Making and Emotion. Decision Making in Disaster Situations
Week 9:	Financial Decision Making/Overconfidence
Week 10:	Debiasing Session 2: Midterm 3

SCHEDULE IS SUBJECT TO CHANGE OVER THE COURSE OF THE QUARTER!

Assignments

Paper assignment: You will write 3 short (2 pages) papers that show how principles taught in class apply to real life problems. Quality not quantity matters.

Paper 1: Choose a decision making problem that you recently encountered in your own life. Describe the problem and how you intuitively solved it. What would have been a more formal way to make the decision?

Paper 2: Describe one of the decision or judgment biases that we have discussed in class. Search the internet or other media to find an example of how this bias showed in the real world outside the lab.

Paper 3: **Form a work group of 2 –3 students for this assignment:** Go to the library and find an academic journal dealing with decision making (Journal of Behavioral Decision Making; Organizational Behavior and Human Decision Processes; Journal of Risk and Uncertainty) or go to the Society of Judgment and Decision Making (website <http://www.sjdm.org/index.shtml>) and check their list of journals (under related links). Pick an article that you found interesting and present a two-page summary of this paper.

Due date Paper 1: **January 25th**

Due date Paper 2: **February, 15th**

Due date Paper 3: **March, 15th**

All papers are to be submitted to the instructor in class!

Presentation: (see paper 3) Beginning with week 2, for each class we will have a short presentation of a scholarly paper that you selected. A team of two students will present the paper for 10 minutes plus 5 minutes of discussion time. The focus should be on why you selected the topic, why you think it is an important contribution to psychology of judgment and decision making. The presentation will be the basis for paper 3.

Midterms: There will be three midterms in this class. Each test will take about 40 minutes and will start at the beginning of the lecture. After conclusion of the quiz the lecture will be resumed. If you miss a quiz due to illness (proof required!) you are given the opportunity to make it up at the end of the term. Your lowest scored quiz will be dropped. All quizzes are obligatory!

Grading: There is a total of 6 assignments. Three midterms and three papers (there will be a combined grade for the presentation and paper 3). The lowest score will be dropped. The remaining five scores contribute equally to the final grade.

Late assignments may reduce the score for that assignment by up to 1 letter grade. If you missed more than 2 classes without a valid excuse (proof) your overall grade will be reduced by 1 letter grade.