

ECONOMICS 171: Decisions Under Uncertainty

Spring 2023

Professor Songzi Du

Email: sodu@ucsd.edu

Office hour: Friday 9:30 – 10:50 am, Econ 223

The time referenced in this syllabus is in Pacific time zone.

Class Meetings

Lecture: MWF 11:00a-11:50a FAH 1450

Discussion: M 3:00p-3:50p FAH 1450

All lectures and discussion sections will be recorded and posted on Canvas, “Media Gallery.”

Partial slides will be available on Canvas before each lecture. I recommend that you print these out or load them into a tablet beforehand and fill in the missing information during lecture.

We will have a review session in lecture before each exam.

Piazza

We will stay engaged through the discussion board on Piazza, where you can ask questions, submit comments, and help each other on the material covered in class. I will constantly monitor Piazza to answer your questions. Please post your question concerning the class material on Piazza instead of emailing me or the TA, so everyone can benefit from the question and answer. You can access the class Piazza page from Canvas.

Course Overview

This course examines how economic agents make decisions under conditions of uncertainty. It examines the various ways in which economists represent the phenomenon of uncertainty, the fundamental principles of choice under uncertainty, the concepts and measurement of “risk” and “risk aversion,” and the analysis of how these features influence economic behavior. We will also discuss applications to portfolio choices and asset prices in financial markets.

Prerequisites:

ECON 100A; and ECON 120A or ECE 109 or Math 180A or Math 183 or Math 186

Textbook (optional)

Petersen (2017). An Introduction to Decision Theory, Cambridge University Press; 2nd edition.

Additional references will be given in some sets of notes. The textbook and the references are not required but may help your understanding of the material.

Teaching Assistants

Name	Email
Kelvin Leong	mleong@ucsd.edu
Zachary Hall	z1hall@ucsd.edu

Evaluation

There are three exams: two midterms and a final. Additionally, there are homework assignments, which are graded for **completeness only**. You get full credit on the homework if you submit an attempted solution, regardless of its correctness. Be sure to go over the posted solution and attend/watch the discussion sections, so you are prepared for the exams which are graded for correctness.

Each midterm exam counts for 25% of your grade, the final exam counts for 35%, and the homework counts for 15%.

Late homework submission (up to three weeks after the due date) is worth 70% of the original points. Homework submission after three weeks receives 0.

Regrade requests may be submitted via Gradescope.

Exam formats and dates

The exams will be in-person and closed-book

- You can have one cheatsheet (can write on both sides, handwritten notes only)
- You should bring a calculator
 - o No tablets, phones, computers, nor any other communications device
- **Midterm 1:** Wednesday 4/26, in lecture
- **Midterm 2:** Wednesday 5/24, in lecture
- **Final exam:** Friday 6/16, 11:30a-2:29p

Administrative Issues

- (1) **There will be no makeup exams for midterms.** If you miss a midterm **for a documented, university approved reason**, the weight of that exam will be allocated to the final. The weights will not be reallocated for any other reason.
- (2) **Academic dishonesty will not be tolerated.** Students are expected to do their own work, as outlined in the UCSD Policy on Integrity of Scholarship. All suspected cases of academic dishonesty will be reported to the Academic Integrity Coordinator. In addition to the penalties imposed by the Academic Integrity Review Board, I also reserve the right to fail students found guilty of academic misconduct.
- (3) If you miss the final exams for a documented, university approved reason, you will need to take a make-up final exam after the usual final exam date. If you miss an exam for another reason (i.e., oversleep, forget the time), you will receive a zero on the exam.