

DESCRIPTION OF THE COLLEGE

GENERAL INFORMATION		
Course Holder	Prof. Dr. Sc. Robert Kopal Ph.D. Darija Korkut	
Name of the College	Decision-making under conditions of risk and uncertainty	
Study program	Professional Graduate Study of Business Management - MBA	
Status of the College	Mandatory	
Code	OURN-22	
Year	Year 2	
Point value and method of teaching	ECTS Student Workload Coefficient	6
	Number of hours (P+V)	28+28

DESCRIPTION OF THE COLLEGE
1.1. <i>Objectives of the course</i>
The aim of the course is to improve the quality of decisions in students and improve their ability to predict and influence the behavior of other people. Students will be introduced to what decision-making is and what it should be like (normative theory) and the basic concepts of behavioral theory (descriptive theory). Students will also gain insight into the systemic errors of actual decision-making and the unique psychological factors that influence decision-making (e.g., emotions). The course will enable students to acquire knowledge about the different conditions of decision-making and about the function of usefulness and the attitude of the individual towards risk as interpreted by normative and descriptive theory. Special emphasis will be placed on the concepts of limited rationality and the theory of expected choice.
1.2. <i>Requirements for enrolment in the course</i>
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1.3. <i>Expected learning outcomes for the course</i>
Students should be able to:

1. Critically judge the constructs of judgment and decision-making
2. Critically assess different decision-making environments
3. Explain the differences between classical and behavioral decision theory
4. Explain expected choice theory and inter-temporal decision-making
5. Assess the role of emotions in economic decision-making
6. Analyze psychological models of choice and their application in real decision-making.

1.4. *The content of the course*

Introduction to the course

Constructs of judgment and decision-making

Decision-making and decisions

The reality of decision-making – the paradox of decision-making

Thinking and decision-making

Judgments and reasoning strategies

Different decision-making environments

Decision-making under security conditions

Decision-making in conditions of risk

Decision-making under conditions of uncertainty

Classical and behavioral decision theory

Normative and Descriptive Decision Theory

Rational theory – expected utility

Behavioral theory – unexpected utility

Limited rationality

Expected Choice Theory and Intertemporal Decision-Making

Expected choice theory

The temporal dimension of decisions

The Role of Emotions in Economic Decision-Making

Rationality and emotions

Emotion-based decision making

Evolutionary view of emotions

Emotions in the Traditional Economy Emotions in BE Usefulness and benefit Psychological Models of Choice and Their Application in Real Decision-Making Fairness and ethics in decision-making New Directions in Research, Judgment and Decision-Making in the Economic Context Case studies, practical tasks		
1.5. <i>Types of teaching (put X)</i>	☒ Lectures ☐ Seminars and workshops ☒ Exercises ☐ Distance education ☐ Field Teaching	☐ Independent tasks ☐ Multimedia & Network ☐ Laboratory ☐ mentoring work ☐ other _____
1.6. <i>Obligations of students</i>		
<i>Student obligations are prescribed in detail by the Statute, the Study Regulations and the Instructions on Student Obligations. The key obligations of students are:</i> ATTENDANCE AT CLASSES: <i>students are obliged to attend classes, actively follow lectures and exercises and participate constructively in classes, and in order to acquire the right to take the exam, it is necessary to attend classes in the percentages prescribed by the Study Regulations. For each student, their presence in class is recorded through the Infoeduka digital office system. The minimum commitments are;</i> <i>Full-time students must attend at least 70% of the total number of classes to be eligible to sign.</i> <i>Part-time students need to attend at least 50% of the total number of teaching hours to be eligible to sign.</i> EXAM: <i>in order to achieve a positive grade in a subject, it is necessary to achieve at least 54 points in the subject, but also at least 50% of points for each learning outcome. The method of taking the exam is described in more detail in the item Assessment and evaluation of students' work during classes and at the final exam.</i> *FINAL EXAM – <i>a student who has not met the conditions for passing the exam during the continuous examination (has achieved a total of at least 54 points in the course and met the lower point threshold for the acquisition of each learning outcome, i.e. at least 50% of the points of each learning outcome), may take the learning outcomes of the course at the final exam.</i>		

WRITTEN EXAM: the student is required to take a written exam that verifies the acquisition of advanced theoretical knowledge related to the recent knowledge of BE related to the decision-making environment. The questions also test the ability to identify, explain and relate key concepts of decision-making under conditions of risk and uncertainty, as well as appropriate argumentation of a higher degree of complexity

PRACTICAL WORK: the student is obliged to participate in solving individual problem tasks that test the ability to identify problems, analyze, synthesize, connect and critically judge in the field of problem solving and decision-making in conditions of risk and uncertainty.

***CONTINUOUS ASSESSMENT:** In order to improve the effective progress of students in teaching, continuous examinations (2 intermediate exams) are carried out. In this way, students acquire smaller teaching units and master the subject material more easily.

1.7. Monitoring of student work (add X with the appropriate form of monitoring)

Attendance	x	Teaching activity		Term paper		Experimental work	
Written exam	x	Oral exam		Essay		Research	
Design		Continuous assessment*		Paper		Practical work	x
Portfolio							

1.8. Assessment and evaluation of students' work during classes and at the final exam

Assessment and evaluation of students' work during classes and at the final exam is carried out on the basis of the Study Regulations of the EFFECTUS University of Applied Sciences.

Allocation of points according to the forms of student work monitoring:

	Attendance	Written exam	Practical work	Total
11		16		16

I2		16		16
I3		16		16
I4			16	16
I5			16	16
I6			16	16
OUT OF THE BOX	4			4
TOTAL	4	48	48	100

Linking learning outcomes, teaching methods and methods of assessment of knowledge:

FORMS OF TRACKING	NAME OF LEARNING OUTCOMES	TEACHING METHOD	METHOD OF ASSESSMENT KNOWLEDGE	Maximum number of rating points
Written exam	OUTCOME 1 Critically judge the constructs of judgment and decision-making	Lecture	Exam in the form of an essay on a given topic: essay-type questions are used to test the acquisition of advanced theoretical knowledge related to recent knowledge of BE related to the decision-making environment. The questions also test the ability to identify, explain and relate key concepts of decision-making under conditions of risk and uncertainty, as well as appropriate argumentation of a higher degree of complexity	48
		Asking questions		
		Discussion		
	OUTCOME 2 Critically assess different decision-making environments	Lecture	Problem questions: questions that test the ability to identify problems, analyze, synthesize, connect, and critically judge the decision-making environment.	
		Discussion		
		Asking open-ended questions		
	OUTCOME 3 Explain the differences between classical and behavioral decision theory	Lecture	Problem questions: questions that test the ability to identify problems, analyze, synthesize, connect and critically judge the comparison of constructs of classical and behavioral decision theory.	
		Discussion		
		Asking open-ended questions		

Written exam	OUTCOME 4 Explain the theory of expected choice and inter-temporal decision-making.	Lecture	Problem questions: questions that test the ability to identify problems, analyze, synthesize, connect, and critically judge expected choice theory and inter-temporal decisions.	48
		Asking open-ended questions		
	OUTCOME 5 Assess the role of emotions in economic decision-making	Lecture	Problem questions: questions that test the ability to identify problems, analyze, synthesize, connect and critically judge the role of emotions in economic decision-making	
		Asking open-ended questions		
	OUTCOME 6 Analyze psychological models of choice and their application in real decision-making.	Lecture	Problem questions: questions that test the ability to identify problems, analyze, synthesize, connect and critically judge psychological models of choice and their application in business decision-making.	
		Asking open-ended questions		
Attendance	All outcomes	Lectures and exercises	Attendance records	4
	TOTAL POINTS			100

<i>Type of student workload</i>	<i>Hours of student workload</i>	<i>ECTS credits</i>
Attending face-to-face classes	56	1,87
Field trips/visits outside the college	0	0
Independent study/research	40	1,33
Out-of-classroom preparation and preparation of seminars/presentations	25	0,83
Work on an out-of-classroom project assignment	0	0
Independent preparation for exams and exam time	44	1,47
Consultation activities	15	0,50
Other	0	0
TOTAL ECTS credits	180	6

JUDGING:

In order to achieve a positive grade in the course, the student must cumulatively meet two conditions: achieve a total of at least 54 (fifty-four) points in the course and meet the lower point threshold for the adoption of each individual learning outcome, which is 50% of the total points of the learning outcomes.

Grades are calculated based on the following distribution of points:

<i>NUMBER OF POINTS</i>	<i>RATING</i>
<i>0,00 – 53,90</i>	<i>Insufficient (1)</i>
<i>54,00 – 64,90</i>	<i>Sufficient (2)</i>

65,00 – 79,90	Good (3)
80,00 – 89,90	Very Good (4)
90.00 and more	Excellent (5)

The evaluation is carried out in a transparent manner by collecting points. The course is valued with 100.00 points (with the possibility of achieving an additional 8 points on the Challenge learning outcome).

CHALLENGE LEARNING OUTCOME - the student has the opportunity to earn an additional maximum of 8 points through the Challenge learning outcome; The student independently chooses one of the activities proposed in the first lesson, and has the opportunity to independently propose an activity by which he wants to increase the number of points and, with the consent of the course holder, achieves them according to the criteria of the subject. Points for the Challenge learning outcome are not distributed according to the learning outcomes, but the number achieved is an additional number of points to the total number of points achieved according to the learning outcomes.

Before taking the final written exam, each student must meet the prescribed conditions, which primarily means that they have attended the % of classes determined by the Study Regulations and that they have received an electronically encrypted permission to take the exam.

1.9. Required literature and number of copies in relation to the number of students currently attending classes in the course

Title	Number of copies	Number of students
Gilboa, I. (2013) <i>Rational Choice</i> , Zagreb: MATE	5* *students receive compulsory literature in permanent ownership	60

1.10. Supplementary literature

Kopal, R. & Korkut, D. (2022). *Intelligence Analytics*, Zagreb, Croatian Association of Security Managers and Business Security Academy Zagreb

Reid Hastie, Robyn M. Dawes (2009) *Rational Choice in an Uncertain World: The Psychology of Judgment and Decision Making*, 2nd ed., SAGE Publications, Inc.

Bazerman, M. H. & Moore, D. A. (2013) *Judgment in managerial decision making*, 8th ed., Wiley

Camerer, C. C.; Loewenstein, G. & Rabin, M. (2004) *Advances in Behavioral Economics*, Princeton, NJ: Princeton University Press

Schwartz, B. (2014) *The Paradox of Choice: Why More Is Less*; Brilliance Audio; Unabridged edition

Kahneman, D. & Tversky, A. (1979) *Prospect Theory: An Analysis of Decision under Risk*, *Econometrica*, Vol. 47, No. 2. (Mar., 1979), pp. 263-292.

Kahneman, D. & Tversky, A. (1984) *Choices, Values, and Frames*; *American Psychologist*, Vol. 39, No. 4, 341-350.

1.11. Quality monitoring methods that ensure the acquisition of output knowledge, skills and competences

- analysis of exam results, achieved results, level of understanding and knowledge during exercises, practical tasks and group work,
- conducting a survey among students,
- The teacher's evaluation,
- the achieved results and the level of knowledge presented during the preparation and defense of the final thesis (of students who choose the graduate thesis in this subject),
- analysis of the reports of the Quality Center and
- Feedback from students who have already graduated and their employers on the usefulness of the content of this course in the performance of the work they do.