DESCRIPTION OF THE COLLEGE

GENERAL INFORMATION		
Course Holder	**Ph.D. Darija Korkut**	
Name of the College	**Psychology of Decision-Making - Practicum**	
Study program	**Professional Graduate Study of Business Management - MBA**	
Status of the College	**Mandatory**	
Code	**PO-P-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. *Objectives of the course*
The human brain has an incredible ability to process information and depict the world around us. The ways in which it does this are still largely unexplored, given that the field of cognitive sciences is relatively young and very dynamic. Cognitive psychology studies all the mental processes that give rise to simple or complex behaviors, whether normal or pathological. These include, among other things, verbal and non-verbal modes of communication, memory, perception, attention, awareness, problem solving, decision-making, etc. This course provides an insight into recent knowledge about the ways of processing information in an economic context, with a special emphasis on the roles of memory, perception, intuition and reasoning in economic behavior. Therefore, the main goal of the course is to enable students to acquire advanced theoretical knowledge and skills necessary to understand cognition, its processes and mechanisms that participate in solving (business) problems and business decision-making.
1.2. *Requirements for enrolment in the course*
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1.3. *Expected learning outcomes for the course*

Students should be able to:

1. Critically assess the fundamental constructs of behavioral economics in economic decision-making
2. Critically assess key aspects of cognition: perception, attention, and memory
3. Evaluate the role of heuristics in economic decision-making
4. To argue an opinion on the basic principles of the theory of double processing
5. Critically assess the role of incentives in behavior and decision-making
6. Create your own research on the application of the constructs of decision psychology and their impact on economic behavior.

1.4. *The content of the course*

Introduction to the course

Constructs of behavioral economics

- Introduction to BE
- Limited rationality: time constraints: intertemporal decisions, information constraints
- Constructs of BE in practice
- Discussion – 7 principles of BE

Key aspects of cognition

- Perception
- Attention
- Memory

Heuristics (and biases) in economic decision-making

- Heuristics as Correct Decision-Making: Intelligence of the Unconscious, Gaze Heuristic, Recognition Heuristic, Expert Intuition, Evolved Brain Abilities
- Cognitive Limitations: Cultural Biases, Organizational Biases, and Introduction to Cognitive Biases
- Heuristics as a departure from rationality: Availability, Affirmation, Framing, Overconfidence, Anchoring, Expert p., etc.

Fundamental principles of the theory of double processing

- Dual processing theory: System 1 and System 2; Perception, intuition, reasoning
- The role of automatic and emotional processing: Automatic and controlled processes; Affective and cognitive processes

Incentives in behavior and decision-making (and *influence*)

- Nudge
- Methods of applying behavioral insights:
  - Examples - BASIC and MINDSPACE

Influence (*influence*) Own research on the application of decision-making psychology constructs and their impact on economic behavior Group task of practical application of behavioral insights using BASIC and/or MINDSPACE methods		
1.5. *Types of teaching (put X)*	☒ Lectures ☐ Seminars and workshops ☒ Exercises ☐ Distance education ☐ Field Teaching	☒ Independent tasks ☐ Multimedia & Network ☐ Laboratory ☐ mentoring work ☐ other _____

1.6. *Obligations of students*

Student obligations are prescribed in detail by the Statute, the Study Regulations and the Instructions on Student Obligations. The key obligations of students are: ATTENDANCE AT CLASSES: 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;

- *Full-time students must attend at least 70% of the total number of classes to be eligible to sign.*
- *Part-time students need to attend at least 50% of the total number of teaching hours to be eligible to sign.*

***EXAM:** 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. *FINAL EXAM – 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.*

***WRITTEN EXAM:** the student is required to take a written exam that verifies the acquisition of advanced theoretical knowledge related to recent knowledge about the ways of processing information in the economic context and its impact on behavior (limited rationality), with special emphasis on the roles of heuristics and bias on economic decision-making.*

***PRACTICAL WORK**: the student is obliged to participate in solving practical tasks and exercises during classes with the aim of practicing the application of knowledge and*

the development of skills necessary for understanding perception, intuition and cognition and their interaction and related processes and mechanisms that participate in solving (business) problems and business decision-making.

***PROJECT:** the student is required to participate in the development of a project that tests the skill of practical application of theoretical knowledge about incentives and influence in the creation of incentives using one of the given methodological frameworks (BASIC and/or MINDSPACE).*

**CONTINUOUS ASSESSMENT OF KNOWLEDGE: In order to improve the efficiency of students' progress in teaching, continuous examinations (3 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	x	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	Design	Practical work	Total
I1		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	32	16	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 assess the fundamental constructs of behavioral economics in economic decision-making*	*Lecture*	*Exam in the form of an essay on a given topic: essay-type questions test the acquisition of advanced theoretical knowledge related to recent knowledge about the ways of processing information in the economic context and their impact on behavior (limited rationality), with special emphasis on the roles of heuristics and bias on economic decision-making*	*48*
		Asking questions		
		Discussion		
	OUTCOME 2 Critically assess key aspects of cognition: perception, attention, and memory	*Lecture*		
		Discussion		
		Open questions		
Practical work	*OUTCOME 3 Evaluate the role of heuristics in economic decision-making*	*Lecture*		
		Open questions		
		Discussion		
	OUTCOME 4 To argue an opinion on the basic principles of the theory of double processing	*Guided training*	*Problem tasks: individual problem tasks test the acquisition of knowledge and skills necessary to understand perception, intuition and cognition and their interaction and related processes and mechanisms that participate in solving (business) problems and business decision-making*	*16*
		Training and feedback		

Design	*OUTCOME 5* *Critically assess the role of incentives in behavior and decision-making*	*Guided training*	*Group project: the group project tests the skill of practical application of theoretical knowledge about incentives and influence in the creation of incentives using one of the given methodological frameworks (BASIC and/or MINDSPACE). In addition to the above, the ability to lead, coordinate, cooperate and operationally perform the task is also checked.*	*32*
		Training and feedback		
	OUTCOME 6 *Create your own research on the application of the constructs of decision psychology and their impact on economic behavior.*	*Guided training*		
		Training and feedback		
Attendance	*All outcomes*	*Lectures and exercises*	*Attendance records*	*4*
			TOTAL POINTS	***100***

Type of student workload	*Hours of student workload*	*ECTS credits*
Attending face-to-face classes	56	1,87
Field trips/visits outside the college	0	0
Independent study/research	30	1,0
Out-of-classroom preparation and preparation of seminars/presentations	15	0,50
Work on an out-of-classroom project assignment	30	1,0
Independent preparation for exams and exam time	34	1,13
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:

NUMBER OF POINTS	*RATING*
0,00 – 53,90	*Insufficient (1)*

54,00 – 64,90	*Sufficient (2)*
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*
Kahneman, D. (2013) Thinking, Fast and Slow, Zagreb: Mozaik knjiga.	*5** **students receive compulsory literature in permanent ownership*	*60*

1.10. Supplementary literature

Cialdini, R. B. (2007). Impact: Science and Practice
Gigerenzer, G. (2009): The Power of Intuition: The Intelligence of the Unconscious, Zagreb: Algoritam
Thaler, R. H. and Sunstein, C. R. (2009): Incentive: It is possible to make better decisions about health, wealth and happiness, Zagreb. Planetopia
Ariely, D. (2009): Predictably Irrational. Invisible forces that govern our decisions, Zagreb, VBZ
Gladwell, M. (2005): Blink: The Power of Thinking Without Thinking, Zagreb: Naklada Jesenski i Turk
Galotti, K. M. (2008): Cognitive Psychology: in and Out of the Laboratory, 4th Edition, Belmont, CA: Thomson Wadsworth
Corr, P. and Plagnor, A. (2019): Behavioral Economics: The Basics, NY: Routledge
Kopal, R. & Korkut, D. (2022). Intelligence Analytics, Zagreb, Croatian Association of Security Managers and Business Security Academy Zagreb
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.*