

## Written Exam Economics Summer 2020

### Economics of Misbehavior

From 10 AM of August 22th to 10 AM of August 29th.

This exam question consists of 3 pages in total

Answers only in English.

**A take-home exam paper cannot exceed 10 pages – and one page is defined as 2400 keystrokes**

***The paper must be uploaded as one PDF document. The PDF document must be named with exam number only (e.g. '1234.pdf') and uploaded to Digital Exam.***

#### **Be careful not to cheat at exams!**

Exam cheating is for example if you:

- Copy other people's texts without making use of quotation marks and source referencing, so that it may appear to be your own text
- Use the ideas or thoughts of others without making use of source referencing, so it may appear to be your own idea or your thoughts
- Reuse parts of a written paper that you have previously submitted and for which you have received a pass grade without making use of quotation marks or source references (self-plagiarism)
- Receive help from others in contrary to the rules laid down in part 4.12 of the Faculty of Social Science's common part of the curriculum on cooperation/sparring

You can read more about the rules on exam cheating on your Study Site and in part 4.12 of the Faculty of Social Science's common part of the curriculum.

**Exam cheating is always sanctioned by a written warning and expulsion from the exam in question. In most cases, the student will also be expelled from the University for one semester.**

You have to apply economic reasoning to a specific *misbehavior* related to what we have seen during the summer school. Please choose a *misbehavior* related to those topics presented in class (from addiction to corruption, from crime to unethical behavior in markets, from repugnant markets to epidemic) and analyze it by using the tools and concepts discussed.

The exam consists of **15 bullet points divided in four sections** (Question, Method, Analysis and Reflections). Answer each bullet point separately.

**Question** [*In this section you have to provide evidence and a compelling argumentation that the specific misbehavior you have chosen is worth studying. Please answer the following four bullet points*].

- 1) Explain the economic relevance of the topic. Why is it puzzling, interesting and exciting? Why should we care about it? Why is it important to economics, or to social welfare?
- 2) Present the state of the conversation/art in the field. Describe what has been done (previous literature) and what we know about a specific phenomenon. If necessary, highlight the main finding from Economics but also from other disciplines.
- 3) Identify a gap in the literature: What is still not (well) understood? What is missing? Explain why this gap deserves to be studied.
- 4) Explain what the available opportunities are to analyze this topic (an existing datasets, novel experimental paradigm, a new theory, etc.). How can you use them effectively to find an answer to this question? What is the advantage of a specific method or a combination of two?

**Method.** [*In this section you have to choose the correct method to answer your research question. You can propose a theoretical model, a specific analysis of existing data or suggest a novel data collection (in that case you have to follow a pre-analysis plan). Please answer the following four bullet points*].

- 5) Set out which research question(s) you aim to answer.

- 6) Explain how you intend to answer the question(s). What is it necessary to do? In which sequence? Why is this the optimal method?
- 7) Identify what are the limitations and problems and how you can deal with them. Do you expect any major weakness?
- 8) Stress your major contribution(s): What can we expect to learn from your analysis? Explain why this is relevant given your research question.

**Analysis.** *[In this section you have to use the knowledge, skills and competences developed during the course to attempt to analyze the misbehavior you chose. Please answer the following four bullet points].*

- 9) Present your main (expected) result. Is this novel, counter intuitive, unexpected? Why?
- 10) Provide evidence to convince the reader about the (internal) validity of your finding. Discuss about the robustness of your approach.
- 11) Explain the possible unexpected findings (if any) and problems you encounter in the analysis.
- 12) Conclude with a summary of what you find. Does this answer your research question?

**Reflections.** *[In this section you have to provide your reflections about the analysis you performed and implications of your (expected) findings. Please answer the following three bullet points].*

- 13) Connect what you find with the problem stated in the introduction and the previous literature. What is your main contribution?
- 14) Discuss the consequences of your result(s) for the society and/or the economy (external validity).
- 15) Given what you find, explain what it is next. What remains unanswered? What are the open questions? Formulate future research ideas/hypotheses that come directly from your findings.