

Short Course for Faculty and Graduate Students



Cognitive Imprecision and Economic Behavior

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Holder of the Erwin Plein Nemmers Prize in Economics

MONDAYS AND WEDNESDAYS, NOVEMBER 10, 12, 17 AND 19

3:30PM-5:00PM

KELLOGG GLOBAL HUB, 2211 CAMPUS DRIVE, ROOM 3301

These lectures will explore the implications of models of noisy cognition for economic decisions, stressing the lessons for economics that can be drawn from studies of imprecision in sensory perception by psychologists and neuroscientists. It will be argued that many phenomena that have been treated by behavioral economists as arbitrary departures from normative decision-making can be understood as efficient responses to the presence of cognitive noise. Applications to choice under risk and to coordination problems will be treated in particular detail.

Lecture 1 [Nov. 10]: What Can Economists Learn from the Study of Perception?

Lecture 2 [Nov. 12]: Cognitive Imprecision and Estimation Bias

Lecture 3 [Nov. 17]: Cognitive Imprecision and Choice Under Risk

Lecture 4 [Nov. 19]: Cognitive Imprecision and Strategic Interaction