Term Information

Effective Term          Autumn 2016
Previous Value          Summer 2013

Course Change Information

What change is being proposed? (If more than one, what changes are being proposed?)
Update course description, prerequisites, course goals, and content topic list.

What is the rationale for the proposed change(s)?
The proposed course changes reflect the replacement of requirements for admission to the major with appropriate course prerequisites, and a fine tuning of course focus post-semester conversion.

What are the programmatic implications of the proposed change(s)?
(e.g. program requirements to be added or removed, changes to be made in available resources, effect on other programs that use the course)?
None

Is approval of the request contingent upon the approval of other course or curricular program request?
No

Is this a request to withdraw the course?
No

General Information

Course Bulletin Listing/Subject Area          Consumer Sci: Con&Fam Fin Serv
Fiscal Unit/Academic Org                      Department of Human Sciences - D1251
College/Academic Group                        Education & Human Ecology
Level/Career                                  Undergraduate
Course Number/Catalog                         4130
Course Title                                  Consumer Decision Making II
Transcript Abbreviation                       Cons Dec Mkng II
Course Description                           Theory and practice of rational consumer decision making under uncertainty with application to decision-making of oneself and for clients.

Previous Value
This course focuses on rational consumer decision making under uncertainty. Theories of rational consumer decision making are combined with methods of quantifying uncertainty.

Semester Credit Hours/Units                  Fixed: 3

Offering Information

Length Of Course                             14 Week, 7 Week, 4 Week (May Session)
Flexibly Scheduled Course                    Never
Does any section of this course have a distance education component?
No
Grading Basis                                Letter Grade
Repeatable                                    No
Course Components                            Laboratory, Lecture
Grade Roster Component                        Lecture
Credit Available by Exam                      No
Admission Condition Course                    No
Off Campus                                    Never
Campus of Offering                           Columbus
Prerequisites and Exclusions

**Prerequisites/Corequisites**
CONSCI 3930 and Stat 1350 or 1430 or 1450 and Econ 2001.01. Intermediate microeconomics recommended.

**Previous Value**
Prereq: Sr standing.

Exclusions

Cross-Listings

Cross-Listings

Subject/CIP Code

**Subject/CIP Code**
19.0201

**Subsidy Level**
Baccalaureate Course

**Intended Rank**
Senior

Requirement/Elective Designation

Required for this unit's degrees, majors, and/or minors

Course Details

**Course goals or learning objectives/outcomes**
- Describe the model of rational decision making
- Apply decision making tools (decision trees, expected value, discounting, marginal analysis to differentiate between bundles of alternative choices) to practical problems
- Identify the need for and sources of relevant information
- Describe the steps needed to reach a decision
- Explain the framework to test critical assumptions (sensitivity tests/robustness checks)

**Previous Value**
- 1. State advantages of rational decision making.
- 2. Create and use decision diagrams (trees).
- 3. Quantify the uncertainty of decision outcomes.
- 4. Will be able to assess the sensitivity of decision outcomes to environmental changes.
Content Topic List

- Model of consumer choice with/without uncertainty
- Theory and application of utility as an expression of consumer preferences
- Choice over bundles of complex goods
- Decisions taken jointly with others
- Elementary probability theory
- Random variables and probability distributions
- Decision theory and inference
- Construction of decision diagrams (trees)
- Expected value and discounted net present value
- Probability assessment, subjective and objective
- Information requirements and sources of information
- Sensitivity analysis of desired courses of consumer action
- Behavioral rules of thumb and biased decisions
- Using framework to advise choices of others

Previous Value

- Fundamental concepts of rational decision making and uncertainty applicable to consumers
- Elementary probability theory
- Random variables and probability distributions
- Decision theory and inference
- Elementary Bayesian concepts applicable to quantifying uncertainty
- Construction of decision diagrams (trees) by consumers
- Information and revision of probabilities by consumers
- Probability assessment, subjective and objective
- Theory and application of utility as an expression of consumer preferences
- Sensitivity analysis of desired courses of consumer action
- Decision making and the normal distribution
- Consumers’ multi criteria decisions

Attachments

- CSCFFS 4130 Syllabus.doc: CSCFFS 4130 Syllabus
  (Syllabus. Owner: Montalto,Catherine P)

Comments

Workflow Information

<table>
<thead>
<tr>
<th>Status</th>
<th>User(s)</th>
<th>Date/Time</th>
<th>Step</th>
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<tbody>
<tr>
<td>Submitted</td>
<td>Montalto,Catherine P</td>
<td>02/11/2016 09:13 PM</td>
<td>Submitted for Approval</td>
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<tr>
<td>Approved</td>
<td>Folden Jr,H Eugene</td>
<td>02/17/2016 02:39 PM</td>
<td>Unit Approval</td>
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<td>Pending Approval</td>
<td>Odum,Sarah A. Zircher,Andrew Paul Warnick,Bryan R. Achterberg,Cheryl L.</td>
<td>02/17/2016 02:39 PM</td>
<td>College Approval</td>
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Course Description: Theory and practice of rational consumer decision making under uncertainty with application to decision-making of oneself and for clients.

In this course we will learn a particular theory of consumer choice -- often known as the rational choice model. That theory provides a framework that consumers can use to reach "optimal" decisions. In this course we will build that model, understand the assumptions on which it rests, describe how one uses the model, and explores what assumptions must be relaxed to apply the model to "real world" choices. Those extensions force us to modify the model to recognize that consumers lack full information, face uncertain outcomes, and take decisions that unfold over time or that have long run consequences. We also extend the model to allow well-being of others to figure in each consumer's choices. In addition to the theoretical discussion, students practice how to use the model to take real world decisions.

Prerequisite(s): CONSCI 3930 and Stat 1350 or 1430 or 1450 and Econ 2001.01
Intermediate Microeconomics recommended. Calculus desired but not required

Course Objectives
Following successful completion of this course, the student should be able to:
1. Describe the model of rational decision making
2. Apply decision making tools (decision trees, expected value, discounting, marginal analysis to differentiate between bundles of alternative choices) to practical problems
3. Identify the need for and sources of relevant information
4. Describe the steps needed to reach a decision
5. Explain the framework to test critical assumptions (sensitivity tests/robustness checks)

Required Course Materials
1. Internet readings to be assigned in class/on Carmen
2. Articles to be downloaded from OSU Library online journals

Rules/Policies for Exams/Quizzes
I will give no make-up exams except in dire (and documented) extenuating circumstances.
### Course Requirements and Grading

<table>
<thead>
<tr>
<th>Course Requirement</th>
<th>Points</th>
<th>Percent of grade</th>
<th>Course points</th>
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<tbody>
<tr>
<td>Exam 1</td>
<td>100 points</td>
<td>25%</td>
<td>25</td>
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<tr>
<td>Exam 2</td>
<td>100 points</td>
<td>25%</td>
<td>25</td>
</tr>
<tr>
<td>Assignment (2 or 3 ungraded)</td>
<td>0 points</td>
<td>0%</td>
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<tr>
<td>Semester project</td>
<td>100 points</td>
<td>10%</td>
<td>10</td>
</tr>
<tr>
<td>Notes (1 each for 39 lectures)</td>
<td>100 points</td>
<td>5%</td>
<td>5</td>
</tr>
<tr>
<td>Class participation</td>
<td>100 points</td>
<td>5%</td>
<td>5</td>
</tr>
<tr>
<td>Final exam</td>
<td>100 points</td>
<td>30%</td>
<td>30</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>100</strong></td>
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</table>

I will assign the following letter grades to course point totals that fall in the range listed next to it:

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<thead>
<tr>
<th>Grade</th>
<th>Points</th>
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<tbody>
<tr>
<td>B+</td>
<td>87-89</td>
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<tr>
<td>B</td>
<td>84-86</td>
</tr>
<tr>
<td>C+</td>
<td>77-79</td>
</tr>
<tr>
<td>D+</td>
<td>67-69</td>
</tr>
<tr>
<td>E</td>
<td>&lt;60</td>
</tr>
<tr>
<td>A</td>
<td>94-100</td>
</tr>
<tr>
<td>A-</td>
<td>90-93</td>
</tr>
<tr>
<td>B-</td>
<td>80-83</td>
</tr>
<tr>
<td>C-</td>
<td>70-73</td>
</tr>
<tr>
<td>D-</td>
<td>60-63</td>
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### Expectations for Student Conduct and Participation

I expect everyone to actively participate in class. I will not only lecture but will also use the Socratic method to engage students as we develop ideas and apply what we are learning. All students must agree to engage in respectful academic debate, refrain from *ad hominem* attacks, and be able to dispassionately discuss any topic relevant to the course material. 5 percent of your overall grade depends on your being in class and on whether or not you participate.

### Academic Misconduct

Academic Misconduct is not allowed. Prohibited in the Ohio State University's *Code of Student Conduct* (Section 3335-23-04), OSU defines academic misconduct as: “Any activity that tends to compromise the academic integrity of the University, or subvert the educational process.” Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Familiarize yourself with that document (especially the sections on academic misconduct). Regardless of whether you have read it, you are bound by it. Consequently, it is probably worth the time it will take you to review it.

If I suspect that a student has committed academic misconduct, I must, by University Rules, report my suspicions to the Committee on Academic Misconduct. If that committee determines that the student violated the University’s *Code of Student Conduct*, they may fail the student in the course and suspend or dismiss the student from the University. For additional information, read the code at: [http://studentaffairs.osu.edu/csc/](http://studentaffairs.osu.edu/csc/).

### Course accommodations

If you have a disability that merits some accommodation, let me know. The OSU Office of Disability Services verifies whether a student needs an accommodation and what it is. They help coordinate with the professor and student to develop a strategy to deliver the necessary accommodation. To start that process, call 614-292-3307 (V) or 614-292-0901 (TDD), visit 150 Pomerene Hall, or consult [http://www.ods.ohio-state.edu/](http://www.ods.ohio-state.edu/).

### Grievances and Solving Problems

According to University Policies, available from the Division of Student Affairs, if you have a problem with this class, “You should seek to resolve a grievance concerning a grade or academic practice by speaking first with the instructor or professor. If that proves unsatisfactory, speak with the department chairperson, college dean, and provost, in that order. Specific procedures are outlined in Faculty Rule 3335-7-23, which is available from the Office of Student Life, 208 Ohio Union.” “Grievances against graduate, research, and teaching assistants should be submitted first to the supervising instructor, then to the chairperson of the assistant’s department.

### Statement on Diversity

The Department of Human Sciences affirms the importance and value of diversity in the student body. Our programs and curricula reflect our multicultural society and global economy and seek to provide opportunities for students to learn more about persons who are different from them. Discrimination against any individual based upon protected status, which is defined as age, color, disability, gender identity or expression, national origin, race, religion, sex, sexual orientation, or veteran status, is prohibited.
Schedule for Course Topics and Reading

<table>
<thead>
<tr>
<th>Week 1</th>
<th>Introduction and organization of course, basic model of consumer choice</th>
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</thead>
<tbody>
<tr>
<td>Week 2</td>
<td>Deriving decision rules</td>
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<tr>
<td></td>
<td>Online reading (above reference)</td>
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<tr>
<td>Week 3</td>
<td>Decision rule when care about others and recap main points of consumer choice</td>
</tr>
<tr>
<td></td>
<td>Class notes/discussion</td>
</tr>
<tr>
<td>Week 4</td>
<td>Bundled goods/intro to decision trees/Elementary Probability Theory</td>
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<tr>
<td></td>
<td>selections from internet readings; 1st draft of semester project due 2/3/2017 (in class).</td>
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<tr>
<td>Week 5</td>
<td>Probability Distributions, Imperfect information</td>
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<tr>
<td></td>
<td>selections from internet readings</td>
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<tr>
<td>Week 6</td>
<td>Decision Theory and Inference (Test 1 – Friday February 17)</td>
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<tr>
<td></td>
<td>selections from internet readings</td>
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<tr>
<td>Week 7</td>
<td>Uncertainty, Expected Utility, Elementary Bayesian Concepts</td>
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<tr>
<td></td>
<td>selections from internet readings</td>
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<tr>
<td>Week 8</td>
<td>Decision Trees</td>
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<tr>
<td></td>
<td>selections from internet readings</td>
</tr>
<tr>
<td>Week 9</td>
<td>Decision Trees</td>
</tr>
<tr>
<td></td>
<td>selections from internet readings; 2nd draft of semester project due 3/8/2017</td>
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<tr>
<td>Week 10</td>
<td>Imperfect Information (again) – Updating information sets</td>
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<tr>
<td></td>
<td>selections from internet readings</td>
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<tr>
<td>Week 11</td>
<td>Objective and Subjective Probability</td>
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<tr>
<td></td>
<td>selections from internet readings</td>
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<tr>
<td>Week 12</td>
<td>Theory and Application of Utility (revisited) (Test 2 – Friday April 7)</td>
</tr>
<tr>
<td></td>
<td>selections from internet readings</td>
</tr>
<tr>
<td>Week 13</td>
<td>Sensitivity Analysis</td>
</tr>
<tr>
<td></td>
<td>selections from internet readings</td>
</tr>
<tr>
<td>Week 14</td>
<td>Consumers’ Multiple Criteria Decisions</td>
</tr>
<tr>
<td></td>
<td>selections from internet readings; final draft of semester project due 4/21/2017</td>
</tr>
<tr>
<td>Finals week</td>
<td>Final exam</td>
</tr>
</tbody>
</table>

**Assignments (description, submission, format, due dates)**

**Class notes: due the first class of each week**

I am grading you partly on the notes that you take in class. There will be approximately 39 lectures that cover the material of the course. In each of those 39 lectures, I will try to emphasize five main points and explain why they are important. At the beginning of each week you are required to turn in, for each of the previous three lectures, a written list of the points you noted. For each point, you must include a sentence or two to explain its significance. The list for each lecture is worth 3 points. Over all 39 lectures that translates into 117 points. If you get 100 or more points, you will earn the full five percent of the total points.

**Ungraded exercises**

Two or three times during the semester (approximately in weeks 4, 8, and 13) I will hand out some exercises to help focus our discussion and to provide me some feedback about what you are learning (or not learning!). I will not grade these. They are only for you and me to get information.

**Semester project**

I will ask you to identify a major choice you are going to have to soon decide. For the semester project, you will describe all the elements of that choice, the key components that enter into your decision framework, the probabilities of various outcomes, all ways in which your choice affects others (about whom you care) and the choice that appears to be optimal for you. You will turn in three documents over the course of the semester. Each one will be as complete an analysis as you can manage and must incorporate all of the course material we have covered up until that point. The semester project will be worth 10 points: the first and second draft will each be worth 3 points; the final draft will be worth 4 points.