**SYLLABUS**  
Thursday 4:40 – 7:10, Location Soc Sci 327

J.A. Forlines III  
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Office Hours: By appointment and look for Announcements through Sakai for additional opportunities; I’ll have some time most Wednesday afternoons as well as each Thursday prior and after class--email me and copy lizalber@jafortlinesfamilyoffice.com. Try to have an office hours session done by end of October so we can brainstorm essay topics. Office: SocSci 326, right next to classroom.

**Course Synopsis**

In this course, we will discuss how lessons from Shakespeare’s plays can provide insight into human behavior in today’s financial markets as well as other marketplaces, such as ones for ideas, politics, policy and technology. Plays will include *The Tempest*, *Julius Caesar*, *As You Like It*, and others. We will draw lessons about policy errors, cultural and political dislocation, regime changes, demographic conflicts etc. in current financial, political and macroeconomic environments. We will also talk about human biases in decision-making, and how these transcend cultural and historic boundaries. An important component of this class is learning how to integrate themes from classical literature to better understand past & current socioeconomic trends. An example is technology’s crucial role in human innovation and it’s relation to risk-taking. At the core, this class is about the human decision-making process and the behavioral, cultural and economic factors that influence it.

**Assignments and Grading**

The course will be graded on the basis of one in-class exam (20%), a final essay (40%), and class participation (40%). The class participation grade includes a in-class presentation. Also note the “Assignment” sections throughout the Course Outline below, as most of them call for specific student input in or before a class. This activity is included in the class participation grade percentage.

**Term paper (Essay)**

The term paper should be 6-8 double-spaced pages, on topic(s) of the student’s choice. Please note the following deadlines. Students will have the opportunity discuss their intended topic(s) with me any time prior to November 9; (the earlier in semester, the better!); Final topic(s) due Thursday November 16;
outline of the term papers will be due on November 23 and completed papers on December 13.

Class participation
In-class participation is an integral part of the course. Students are encouraged to challenge statements made either by myself or other students, and to bring to class relevant articles that they find in the popular press or elsewhere. Each student will also present a 10-15 minute summary of her/his key findings in class during the last two weeks of the semester. This summary will be counted toward the overall class participation grade.

Exam
The in-class exam in October is to make sure you have digested the behavioral finance elements of the course and to help you creatively connect them to the plays we have read so far. If you have participated in class and read the material, this should be fun and enlightening.

Texts and Articles
Required Reading

- The New Folger Editions of The Tempest, The Winter’s Tale, Henry V, Julius Caesar and As You Like It are the most accessible and best-edited editions--$5 at Amazon.com. The Bantam Classics (otherwise known as the Bevington editions) are also very good.

- Thinking Fast and Slow, Daniel Kahneman, Farrar, Straus and Giroux 2011 (now in paperback)

- 1599: A Year in the Life of William Shakespeare, Faber and Faber 2005 (also available in paperback)


Additional required, optional and light reading in the form of handouts will be available on Sakai and I will notify you when they are posted…Please check Sakai regularly!

The course outline (below) indicates which sections of the reading are particularly relevant to various topics that we will cover during the semester. You
are required to review the indicated sections of the reading prior to class, as we will discuss them during the class.

I strongly encourage you to read as many of the required and optional reading selections as early as possible during the semester, so that when you review individual sections prior to a particular class, you are able to put those sections into context. **Hint:** The optional readings are either fun, highly topical and/or otherwise add context to the course—and they help you discover your paper topic!

Optional reading

*Nudge*, Richard Thaler & Cass Sunstein, Penquin, 2008 (highly recommended)
Course Outline

Section 1: Introduction [Week 1: 8/31]
Let’s lay out a framework for connecting the genius of Shakespeare’s character construction to the behaviors that have always been present in decision-making and, more specifically, to decision-making in financial, policy and political markets.

Assignment: Be prepared to talk about your expectations for the course and which parts—Shakespeare, behavioral economics/psychology or markets—are of special interest to you.

Required Reading: Thinking Fast and Slow, Kahneman, pages 1-50 & Appendix B; 1599: A Year in the Life of William Shakespeare, 1-49; also see Week 1 handouts in Sakai-Resources tab.

Section 2: The Tempest [Weeks 2&3: 9/7, 9/14]
The magic and mayhem in emerging markets have created only the latest of global economic imbalances. China is the emerging leader in this era, but note this is the second time: it emerged in the 800’s as a world power, and then receded. Will Trump’s anti-globalization actions doom US to same fate?

Why do many people truly “never learn” in relation to decision-making, and what is it about our cognitive systems that betray us in examining normal, abnormal and surprising situations?

Assignments: Week 2 (9/7): Examine and be prepared to discuss a recent event in your life that was consequential; was there a cause and have you changed your assessment of the cause over time? Week 3 (9/14): Be prepared to discuss how you would lead China or the US from an economic and markets perspective over the next five years. What would Prospero do?


Section 3: Winter’s Tale & Hamlet [Weeks 4&5: 9/21, 9/28]
We will use these two plays as springboards to explore current cultural, political and economic dislocation in the US, European Union, Russia and its client
states. Other topics include the powerful effects of framing and heuristics such as anchoring and availability in making choices.

In the second week we will look at policy mistakes, fear and malaise in developed markets and how nations react to change. From an economic perspective, we will discuss planning and regression fallacies in decision-making.

Assignments:
Week 4 (9/21)
1) Watch this 2010 version of Hamlet—Royal Shakespeare Company with David Tennant and Patrick Stewart (it’s broken into scenes for easy viewing):

https://www.youtube.com/playlist?list=PL8653490E2C680C5C

2) Pick a passage from Winter’s Tale or Hamlet to read aloud which illustrates a behavioral bias or heuristic in week 4 of this section

Week 5 (9/28) Have any of you, friends or family had a Leontes “moment?” If not, describe how you counsel someone who has.


Section 4: Henry V + Prep for Midterm Exam [Weeks 6, 7 & 8: 10/5, 10/12, 10/19]

The outlook for parliamentary democracies, the U.S. two party system and the impact on the global economy. Optimism as the engine of capitalism and “the Fourfold Pattern” (a model for decision-making) will be discussed.

Assignments:
Week 6 (10/5): No class—spend time reading and making sure you’ve absorbed behavioral concepts (it’s a long plane ride to Vegas.)

Week 7 (10/12): Be prepared to discuss how the war-making power of sovereigns and national leaders has evolved over time. In this light, what kind of king is Harry? What are the behavioral biases involved in his actions?
Week 8 (10/19): We finish *Henry V* with an examination of the “Four-Fold Pattern” of decision making--Review readings to-date and handouts focusing on behavioral concepts. One hour mid-term in-class.

**Required reading: Weeks 6&7&8:** *Henry V* (all); *Thinking Fast and Slow*, Kahneman, pages 255-321; *1599: A Year in the Life of William Shakespeare*, pages 67-118; selected handouts on Sakai/Resources

**Review material to-date for 10/19 in-class exam**

Section 5: *Julius Caesar* [Weeks 9 &10:10/26, 11/2]

Regime changes and their effects on global economies; topics include US elections, Russian meddling, Crimea annexation, continuing turmoil in the Middle East, global energy policy and currency wars. Rare events, reversals and perspectives on risk taking are discussed in the context of human decision-making.

**Assignments: Week 9 (10/26):** Come to class prepared to compare and contrast the US political environment today to the one portrayed in *Julius Caesar*. Be ready to discuss the aftermath of the 2016 US elections in relation to “Republic to Empire” theme for this section. **Week 10 (11/3):** What are the parallels/contrasts to US Presidential Democracy you can draw from *Julius Caesar*?

**Required reading: Week 9 (10/26):** *Julius Caesar* (all); “The Way Forward: Moving From the Post-Bubble, Post-Bust Economy to Renewed Growth and Competitiveness”, Alpert, Hockett, Roubini 2011 (Handout)

**Week 10 (11/2):** *Thinking Fast and Slow*, Kahneman, pages 322-374; *Finance and the Good Society*, Shiller, pages 57-74; *1599: A Year in the Life of William Shakespeare* pages 119-192

Section 6: *As You Like It/Twelfth Night* [Weeks 11, 12 & 13: 11/9, 11/16, 11/30]

Can money buy happiness? What is the difference between happiness and “experienced well-being?” We review the first Section concept “What You See Is All There Is” (as the basic human decision framework), our two selves and thinking about wealth effects and life are other topics in this section.
Assignments: Final essay topics due 11/18...Outline due 11/23 (before Thanksgiving Break)

Watch Twelfth Night on GlobePlayer  https://globeplayer.tv/videos/twelfth-night
(Use my account to rent/buy your session)

Weeks 11 &12 (11/9, 11/16): Come to class prepared to discuss critical framing issues in As You Like It. Can you explain the “two selves” rationale as a function of Shakespearean characterizations? Can you explain it in terms of decisions you have made in your own life? Finally, think about a decision you have made this semester where you were consciously trying to turn your System 1 process off.


Week 13 (11/30): Meet at Brody Theater on East Campus at 4:30 for a performance surprise and a few class presentations--followed by refreshments and food.

Section 7: Conclusions and Thinking About Life: [Week 14, 12/8]

In our last class for the semester we will try to make sense of the links from Literature & Culture to Economics to Finance to Life.

Assignments: Week 14: Come to class to discuss these topics-- what is your definition of happiness? How is your decision making process connected to it? What would you do differently in your life to date and what is value of thinking about such a concept? Students will deliver 3-5 minute presentations summarizing their essay topics or any topic relative to their learning and/or experiences in this course. Final Term Papers Due Tuesday December 13 by midnight.