ECON 4897 Economics of Organizations

Instructor: Yangwei Song

Office Hours: TH 8:00 am to 9:30 am

Requisites: Intermediate Microeconomic Theory, Calculus, Statistics

Course Description: Economics of Organizations involves the use of economic logic and methods to understand the existence, design, and performance of organizations. We apply methods from contract theory and game theory to study fundamental incentive problems in organizations and the boundaries of organizations. The course content will emphasize theory and analysis.

Course Content:

- 1. Introduction to economics of organization
- 2. Contract design with adverse selection
- 3. Contract design with moral hazard
- 4. Imperfect Performance Measurement
- 5. Relational contract
- 6. Relative Performance Evaluation
- 7. Teamwork
- 8. Horizontal boundaries of firms
- 9. Vertical boundaries of firms
- 10. Competition

Readings:

- Economics of Strategy, 7th Edition, Besanko, Dranove, Shanley, Schaefer, John Wiley & Sons, 2017.
- The Theory of Incentives, Laffont and Martimort, Princeton University Press, 2002.
- Various supplementary readings (lecture notes and some scholarly articles) will be available on the website

Grading Policy:

Homework 20% + Two Midterms 40% + Final Exam 40%

There is no make-up exam.

Syllabus Statements

CLASSROOM BEHAVIOR

Both students and faculty are responsible for maintaining an appropriate learning environment in all instructional settings, whether in person, remote or online. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with

are listed on instructors' class rosters. In the absence of such updates, the name that appears on the class roster is the student's legal name.

HONOR CODE

All students enrolled in a University of Colorado Boulder course are responsible for knowing and adhering to the Honor Code academic integrity policy. Violations of the Honor Code may include, but are not limited to: plagiarism, cheating, fabrication, lying, bribery, threat, unauthorized access to academic materials, clicker fraud, submitting the same or similar work in more than one course without permission from all course instructors involved, and aiding academic dishonesty. All incidents of academic misconduct will be reported to the Honor Code (honor@colorado.edu); 303-492-5550). Students found responsible for violating the academic integrity policy will be subject to nonacademic sanctions from the Honor Code as well as academic sanctions from the faculty member. Additional information regarding the Honor Code academic integrity policy can be found on the Honor Code website.

SEXUAL MISCONDUCT, DISCRIMINATION, HARASSMENT AND/OR RELATED RETALIATION