

ECON30017 Organisations, Economics and Incentives

Credit Points:	12.50
Level:	3 (Undergraduate)
Dates & Locations:	2010, Parkville This subject commences in the following study period/s: Semester 2, Parkville - Taught on campus.
Time Commitment:	Contact Hours: Two 1-hour lectures and a 1-hour tutorial per week Total Time Commitment: Not available
Prerequisites:	<u>316-202 Intermediate Microeconomics (/view/2010/316-202)</u> .
Corequisites:	None
Recommended Background Knowledge:	Please refer to Prerequisites and Corequisites.
Non Allowed Subjects:	None
Core Participation Requirements:	For the purposes of considering requests for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Students Experiencing Academic Disadvantage Policy, academic requirements for this subject are articulated in the Subject Description, Subject Objectives, Generic Skills and Assessment Requirements for this entry. The University is dedicated to provide support to those with special requirements. Further details on the disability support scheme can be found at the Disability Liaison Unit website: http://www.services.unimelb.edu.au/disability/
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Subject Overview:	This subject is concerned with the economics of asymmetric information, when agents may have private knowledge, take hidden actions, and attempt to manipulate the knowledge, information and incentives of others. Using game theory and information economics it will cover the main techniques and results of principal-agent theory and contract theory. It will introduce students to the principles of economic design in asymmetric information environments. These tools will be applied to a variety of topics and case studies, performance incentives, regulation, government procurement, structure of insurance markets, monopoly behaviour, agricultural contracts and share cropping.
Objectives:	<ul style="list-style-type: none"> # Understand the concepts of economics of information and be able to apply them to explain the contracts within organizations # Analyze a firms' behaviour under different contractual structures # Explain the relationship between relation specific investments and the hold-up problem and analyze real-world organizational arrangements accordingly
Assessment:	A 2-hour end-of-semester exam (80%) and assignments totalling not more than 2000 words (20%).
Prescribed Texts:	You will be advised of prescribed texts by your lecturer.
Breadth Options:	This subject potentially can be taken as a breadth subject component for the following courses: <ul style="list-style-type: none"> # <u>Bachelor of Arts</u> (https://handbook.unimelb.edu.au/view/2010/B-ARTS) # <u>Bachelor of Biomedicine</u> (https://handbook.unimelb.edu.au/view/2010/B-BMED) # <u>Bachelor of Environments</u> (https://handbook.unimelb.edu.au/view/2010/B-ENVS) # <u>Bachelor of Music</u> (https://handbook.unimelb.edu.au/view/2010/B-MUS) # <u>Bachelor of Science</u> (https://handbook.unimelb.edu.au/view/2010/B-SCI)

	<p># Bachelor of Engineering (https://handbook.unimelb.edu.au/view/2010/355AA)</p> <p>You should visit learn more about breadth subjects (http://breadth.unimelb.edu.au/breadth/info/index.html) and read the breadth requirements for your degree, and should discuss your choice with your student adviser, before deciding on your subjects.</p>
Fees Information:	Subject EFTSL, Level, Discipline & Census Date, http://enrolment.unimelb.edu.au/fees
Generic Skills:	<p># High level of development: problem solving.</p> <p># Moderate level of development: application of theory to practice; interpretation and analysis; critical thinking; evaluation of data and other information.</p> <p># Some level of development: statistical reasoning; receptiveness to alternative ideas.</p>
Related Majors/Minors/Specialisations:	Economics Major