暨南大學
JINAN UNIVERSITY

0201E316
Organizational Economics

Instructor: TBA

E-mail: TBA

Time: December 14, 2026 - January 15, 2027

Office Hours: by appointment

Contact Hours: 60 (50 minutes each)

Credits: 4

Course Description

This course integrates fundamental economic concepts from microeconomics with principles of agency theory, information asymmetry, and optimal decision-making structures within organizations. By combining these elements, students will develop a comprehensive framework for analyzing and resolving critical managerial and organizational challenges. The course aims to equip participants with the tools necessary to make informed decisions, design effective incentive systems, and optimize organizational performance in the face of agency problems and information disparities.

Course Goals

By the end of the course, students will be able to:

- **Explain** the economic rationale for the existence of firms and distinguish between internal organizational coordination and external market transactions.
- **Analyze** how bounded rationality and private information influence a firm's organizational architecture, specifically in the allocation of decision rights.

- **Evaluate** risk-sharing dynamics to understand how to design effective incentive contracts that align individual behavior with broader firm objectives.
- **Apply** economic principles to human resource management, including the strategic structuring of internal labor markets, job assignments, and compensation policies.
- **Assess** the structural boundaries of the firm, critically analyzing trade-offs in vertical integration, outsourcing, financial structure, and corporate control.

Prerequisites

0201E350 Intermediate Microeconomics and 0701S201 Introduction to Statistics.

Grading Policy

Assessment	**Description**	**Weight**
Module Quizzes	Automated end-of-module concept checks	20%
Assignments	Asynchronous case studies and written reflections (choose two from the 10 assignments)	20%
Midterm Exam	Covers Modules 1–5	30%
Final Exam	Covers Modules 6–10	30%
TOTAL		**100%**

Grading Scale

The instructor will use the grading system as applied by JNU:

Definition	**Letter Grade**	**Score**
Excellent	A	90~100
Good	B	80~89
Satisfactory	C	70~79
Poor	D	60~69

Failed	E	Below 60

Academic Integrity

As members of the Jinan University academic community, students are expected to be honest in all their academic coursework and activities. Academic dishonesty, includes (but is not limited to) cheating on assignments or examinations; plagiarizing, i.e., misrepresenting as one's own work any work done by another; submitting the same paper, or a substantially similar paper, to meet the requirements of more than one course without the approval and consent of the instructors concerned; or sabotaging other students' work within these general definitions. Instructors, however, determine what constitutes academic misconduct in the courses they teach. Students found guilty of academic misconduct in any portion of the academic work face penalties that range from the lowering of their course grade to awarding a grade of E for the entire course.

Course Outline

Please note that the outline is meant to give an overview of the major concepts of this course. Changes may occur in this outline as needed to aid in the student's development.

Module 1: Introduction to Organizational Economics

- Topic: The core questions that underpin the study of organizational economics & Economic Foundations
- Assignment: Reading reflection on core economic principles
- Quiz: Module 1 Concept Check

Module 2: The Nature and Role of Firms

- Topic: Does Organization Matter? The Role of Firms
- Assignment: Case study analysis: Firm existence vs. Market transactions
- Quiz: Module 2 Concept Check

Module 3: Coordination and Firm Strategy

- Topic: Using Prices for Coordination and Motivation: Business Environment and Firm Strategy
- Assignment: Strategy evaluation paper
- Quiz: Module 3 Concept Check

Module 4: Information and Decision Rights

- Topic: Bounded Rationality, Private Information, and Organizational Architecture (Decision Rights)
- Assignment: Decision-making and delegation analysis
- Quiz: Module 4 Concept Check

Module 5: Risk and Incentives

- Topic: Risk Sharing and Incentive Contracts
- Assignment: Designing an incentive contract exercise
- Quiz: Module 5 Concept Check
- Midterm Exam

Module 6: Efficiency and Ownership

- Topic: Rents, Efficiency, Ownership, and Property Rights
- Assignment: Essay on the allocation of property rights and efficiency
- Quiz: Module 6 Concept Check

Module 7: Human Resources and Employment Policy

- Topic: Employment Policy and Human Resource Management
- Assignment: HR policy design project (Part 1)
- Quiz: Module 7 Concept Check

Module 8: Labor Markets and Compensation

- Topic: Internal Labor Markets, Job Assignments, Promotions, Compensation, and Motivation
- Assignment: HR policy design project (Part 2 - Compensation and Motivation)
- Quiz: Module 8 Concept Check

Module 9: Objectives and Boundaries of the Firm

- Topic: Firm Objectives: Roles, Boundaries, and Structure
- Assignment: Case study on vertical integration vs. outsourcing
- Quiz: Module 9 Concept Check

Module 10: Corporate Control and Finance

- Topic: Financial Structure, Ownership, and Corporate Control
- Assignment: Final Corporate Governance Report
- Quiz: Final Comprehensive Quiz
- Final Exam

AI Use Policy (e.g., ChatGPT)

In this class, we will selectively incorporate ChatGPT and generative AI to enhance our curriculum and learning experience. As we embrace these technologies, it is crucial that we use them ethically and responsibly. This involves being transparent about their application, handling data with the utmost privacy and care, respecting copyright limitations, and recognizing that AI is a tool for assistance rather than a substitute for human judgment and creativity.

By employing ChatGPT and generative AI, we embark on an enlightening and challenging journey to explore innovative ways to improve our teaching and learning processes. Let us proceed with a commitment to utilizing these powerful tools responsibly, transparently, and with an unwavering curiosity.

Cautionary Note About Hallucination in Generative AI:

It is essential to acknowledge that generative AI tools, despite their immense capabilities, may occasionally produce outputs that are inaccurate, fabricated, or inconsistent with reality. Students must critically evaluate AI-generated content and diligently verify it for factual errors and inconsistencies. Students are ultimately responsible for ensuring the accuracy, integrity, and ethical use of the information they incorporate into their work.

Data Privacy:

Data privacy is of utmost importance when using AI tools. By utilizing AI, users grant permission for their data to be used by the AI tool. Copyrighted data or documents should not be uploaded into AI without obtaining explicit permission from the copyright holder. Students are accountable for maintaining the accuracy, integrity, and ethical use of the information they include in their work.

Data Bias:

It is crucial to be mindful of potential data bias when using AI. Some information provided by AI may be biased, reflecting prejudices based on factors such as race, gender, nationality, or religion. Students must critically assess AI-generated content for any biases and take responsibility for ensuring the accuracy, integrity, and ethical use of the information they incorporate into their work.

By adhering to these guidelines and approaching the use of AI with a critical and responsible mindset, we can harness the power of these tools to enhance our learning experience while upholding the highest standards of academic integrity and ethical conduct.