0201E316P
Organizational Economics

Instructor: TBA

Time: December 21, 2026 - January 8, 2027

Office Hours: by appointment

Contact Hours: 60 (50 minutes each)

Level: Postgraduate

Credits: 4

Email: TBA

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 students 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.

Prerequisites

0201E350 Intermediate Microeconomics and 0701S201 Introduction to Statistics.

Course Requirements

1. Attendance is taken by every Friday's meeting.

2. Students are expected to read the required readings prior to the class session in which they are discussed.
3. Class Conduct: Consistent, respectful and informed participation is expected from every student in the course.
4. I will respond to emails in a timely manner. It is best to make an appointment or speak to me after lecture.
5. It is your responsibility to keep me updated with attendance, email, etc.
6. Please check your email regularly for instructions and readings.

Grading Policy

Your grade will be based on quizzes, exams, presentation, and attendance.

Assigments:		15%
Quizzes:	Pop-up quizzes	20%
Midterm exam:		25%
Final exam:		25%
Presentation:	One presentation (case study)	15%
TOTAL		**100%**

Assignment:

To allow for both focus and flexibility, **students are required to complete one of three assignment options** offered in this course. Each assignment is carefully designed to deepen analytical proficiency, strengthen theoretical understanding, and foster the application of organizational economics frameworks to complex, real-world issues.

Regardless of the option selected, the assignment will:

- Encourage thorough engagement with advanced readings and lecture materials;
- Reinforce and extend key concepts through independent critical analysis;
- Require integration of empirical evidence, scholarly literature, and economic reasoning;
- Support the development of graduate-level skills in modeling, argumentation,

and professional communication.

Completed assignments should demonstrate **conceptual rigor**, **methodological awareness**, and **clear economic intuition**, reflecting the standards expected at the Master's level.

Quizzes:

Quizzes will pop up during discussion sessions, we have questions related to different chapters listed in the class schedule. Try to attend every discussion session and finish every one of them to get as much credit as possible. Total credit will be counted towards the final grade.

Exams:

Each Exam is worth 25% and cumulative for the final exam.

Presentation:

Students will be required to have an individual presentation. Presentations can be conducted throughout the discussion sessions. Topics can be chosen from the topics covered in our lectures. This presentation is due, and it is to be presented in a discussion session on the day after which the chosen topic is revealed. Each student is given 5-10 minutes to present and answer clarification and other substantive questions from the audience (TA and other students). More information on this will be provided in the class. It is worth 15%.

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 Schedule

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

Week 1

- Course Introduction: The core questions that underpin the study of organizational economics
- Economic Foundations
- Does Organization Matter? The Role of Firms
- Using Prices for Coordination and Motivation: Business Environment and Firm Strategy
- Bounded Rationality and Private Information

- Quiz 1
- Assignment

Week 2

- Organizational Architecture: Decision Rights
- Risk Sharing and Incentive Contracts
- Rents and Efficiency
- Ownership and Property Rights
- Employment Policy and Human Resource Management
- Quiz 2
- Midterm Exam

Week 3

- Internal Labor Markets, Job Assignments, and Promotions
- Compensation and Motivation
- Firm Objectives: Roles and Boundaries
- Financial Structure, Ownership, and Corporate Control
- The Boundaries and Structure of The Firm
- Quiz 3
- Final Exam
- Presentation

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.