

Course Syllabus

Economics of Leadership 7.5 Credits*, Second Cycle

Learning Outcomes

Upon completion of the course, students shall be able to:

- use microeconomic theory and game theory to analyse information and motivation problems in different types of institutions.
- explain the importance of asymmetric information for the effectiveness of an institution.
- explain how risk and uncertainty associated with decision-making can be analysed.
- explain the difference between “hidden action” problems and “hidden characteristics” problems, and explain how to work to solve the respective problems.
- analyse how contracts, or different ways of organising a business, can be used to handle incentive problems in companies.
- analyse the problems with public goods and how incentives can be used to clarify individual actors’ valuation of these goods.
- explain how being able to pair different actors with each other, so called matching, and how the existence of networks can affect an efficient allocation of resources.
- explain how pricing and property rights affect an efficient allocation of resources.
- discuss the importance of cultural differences in the design of institutions and incentives.

Course Content

The course deals with analytical models and tools that are used to understand and solve leadership problems in different types of institutions. Institution in this context covers various types of organised activities, both companies and public administration, where motivation and information are needed to coordinate the activities of individual actors. The course is based on microeconomic theory and utilises game theory to solve practical problems. A brief introduction to these areas is given and then applied to analyse incentive problems that may arise in different types of organised activities.

Assessment

Assignments and seminars (3 credits) and a written exam (4.5 credits).

Forms of Study

The course comprises lectures, seminars and mathematical exercises.

Grades

The Swedish grades U–VG.

Assignments U-G.

The written exam will determine the final grade.

Prerequisites

Bachelor degree in Economics or Microdata and the course Microeconomics First Cycle Level

Other Information

Replaces NA3009.

Subject:

Economics

Group of Subjects:

Economics

Disciplinary Domain:

Social Science, 100%

This course can be included in the following main field(s) of study:

1. Economics
2. Microdata Analysis

Progression Indicator within (each) main field of study:

1. A1N
2. A1N

Approved:

Approved 18 April 2019

Valid from 10 July 2019