

Teaching Plan

1. Course identification

Course name:	Economic Organizations and Markets & Economic Institutions and Markets
Academic year:	2023-2024 Year of study: Second Quarter: Second
Program:	ADE/ECO & IBE
Course code:	20840 & 21130
Number of credits:	ECTS5
Hours:	125
Teaching language:	English
Teachers:	Benito Arruñada, Mircea Epure, Joan Tubau

2. Presentation

Both "Economic Organizations and Markets" and "Economic Institutions and Markets" examine the main concepts and theories of Organizational Economics at an intermediate level within an integrated framework. Their goal is to give students a set of tools to help them analyze business problems, take business decisions (especially those related to human resource management), and better understand the business environment.

The course is intended to develop students' independent analytical capacity. It is therefore better to study the required readings before coming to class, to prepare the cases and exercises, and to participate actively in class discussions. Seeking out additional information on day-to-day economic and business activities and relating it to cases will also help learning and, when possible, count positively in a student's final evaluation.

3. Associated skills

The associated skills correspond to references G1, G2, G3, G6, G7, G8, G9, G10, G11, G13, G17, G18, G20, G21, G22 in the "verification reports."

Specifically:

1. The course will enable students to develop their analytical skills to analyze organizational and institutional decision-making.
2. The course will enable students to identify the environmental factors of the firm, which determine organizational design decisions.
3. The course will provide methodological tools for the study of organizations, in particular of the information economy.
4. Students will combine case-study methods with reading theoretical and empirical articles.

4. Contents

Introduction

Topic 0. Linking Business Economics and Organizations and Markets

Block 1. Individual behavior

Topic 1. Role of rationality

Topic 2. Incentive management

Block 2. Economic organization

Topic 3. Markets and organizations. Briefing on divisionalization

Topic 4. Markets and politics

Block 3. Institutional environment

Topic 5. Institutional support of private contracting

Topic 6. Role of business firms in society. Briefing on corporate social responsibility

5. Evaluation

The course is based on continuous student evaluation with an important weight on the acquisition of knowledge and skills.

1. *Grade components.* The total grade is based on three components with the following weights: seminars 40%; seated exam 60%.
2. Regular attendance and *meaningful* participation in theory classes may also add a bonus up to 15%. In the same vein, students actively engaged in theory classes may also apply to present a take-home essay using the course's tools to analyze some current event or news, for a non-cumulative bonus of up to 15%.
3. Continuous evaluation grades (i.e., all grades except the exam grade) cannot be made up.
4. Students who fail to pass the course, can make the seated exam up which will account for the same weight in the total grade as indicated in point 1 above. The date of the make-up will be announced during the course. Note that, according to UPF rules, only those students that have followed the continuous evaluation during the course are allowed to take the make-up exam.
5. Students with a justified serious medical problem (e.g., major surgery) as well as, in application of RD 971/2007, July 13, students in the elite sports program, are allowed to take the make-up exam without having taken the final exam. In that case, failing the final does not entitle these students to take a second make-up.

6. Passing grades from the continuous evaluation will not carry over into future academic years.
7. There will be no other exceptions to these rules.

6. Bibliography and information resources

6.1. Bibliography

- ARROW, J.K. (1973), "Social Responsibility and Economic Efficiency," *Public Policy*, 21(Summer), 301-317.
- ARRUÑADA, B. (2001), "The Role of Institutions in the Contractual Process," in B. Deffains and T. Kirat, eds., *Law and Economics in Civil Law Countries*, Elsevier Science, Amsterdam, 177-196.
- ARRUÑADA, B. (2008), "Human Nature and Institutions," in E. Brousseau and J.-M. Glachant, eds., *New Institutional Economics: A Guidebook*, Cambridge University Press, Cambridge, 81-99.
- ARRUÑADA, B. (2013), "Markets for Public Services: Strong Incentives in the Liberal State Vs. Comprehensive Planning in the Welfare State?," March 26.
- COASE, R. H. (1960), "The Problem of Social Cost", *Journal of Law and Economics*, 3(1), 1-44.
- COOTER, R. & T. ULEN (2008), *Law and Economics*, Pearson, Boston, MA, 302-304.
- COWEN, T. (2007), *Discover Your Inner Economist*, Dutton, New York, 11-29.
- CROOK, C. (2005), "The Good Company", *The Economist*, 20 January.
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- FRANK, R. H. (2007), *Microeconomics and Behavior*, 9th ed., McGraw-Hill, New York (excerpts from Ch. 16, "Externalities, Property Rights, and The Coase Theorem").
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- FRIEDMAN, M. (1970), "The Social Responsibility of Business is to Increase its Profits", *New York Times Magazine*, September 13.
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- HAYEK, F.A. (1945), "The Use of Knowledge in Society", *The American Economic Review*, 35(4), 519-530.
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- ROBERTS, J. (2007), *The Modern Firm: Organizational Design for Performance and Growth*, 1st ed., Oxford University Press, Oxford, 88-103.

- STANOVITCH, K.E. (2021), "The Need for Rationality in a Hostile World", *Quillette*, November 8.
- The Economist (2022), "A Broken Idea: Special Report. ESG Investing", *The Economist*, July 23.