



UNSW Course Outline

ECON3123 Organisational Economics - 2024

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General Course Information

Course Code : ECON3123

Year : 2024

Term : Term 3

Teaching Period : T3

Is a multi-term course? : No

Faculty : UNSW Business School

Academic Unit : School of Economics

Delivery Mode : In Person

Delivery Format : Standard

Delivery Location : Kensington

Campus : Sydney

Study Level : Undergraduate

Units of Credit : 6

Useful Links

[Handbook Class Timetable](#)

Course Details & Outcomes

Course Description

This course studies the internal organisation of firms and other organisations. It provides a rigorous introduction to foundational theories, and then discusses applications to real-world managerial problems. How should incentives be designed in organisations? How should conflict

within an organisation be resolved? When should organisations outsource and when should they produce internally? Why do organisations arise in market economies? Tools from game theory, information economics and contract theory are introduced and applied to analyse these (and other) questions.

Course Aims

This course is offered as part of the economics majors in the BCom and BEc degrees. As a prerequisite for this course, either ECON2101 or ECON2112 must have been taken previously. The course has two main objectives. It aims to provide a good understanding of (i) how to analyse incentive problems and conflict using game-theoretic models; and (ii) how to apply these models to understand organisations and management.

Course Learning Outcomes

| Course Learning Outcomes | Program learning outcomes |
|--|--|
| CLO1 : Evaluate the effectiveness of different incentive schemes and organisational structures in motivating performance and resolving conflicts of interest within organisations. | <ul style="list-style-type: none"> • PLO1 : Business Knowledge • PLO2 : Problem Solving • PLO5 : Responsible Business Practice • PLO6 : Global and Cultural Competence • PLO7 : Leadership Development |
| CLO2 : Solve game-theoretic models of organisational issues, and apply them to interpret and analyse real-world organisational problems. | <ul style="list-style-type: none"> • PLO1 : Business Knowledge • PLO2 : Problem Solving • PLO3 : Business Communication • PLO6 : Global and Cultural Competence |
| CLO3 : Communicate and explain concepts related to organisational economics. | <ul style="list-style-type: none"> • PLO1 : Business Knowledge • PLO3 : Business Communication • PLO5 : Responsible Business Practice • PLO6 : Global and Cultural Competence • PLO7 : Leadership Development |

| Course Learning Outcomes | Assessment Item |
|--|--|
| CLO1 : Evaluate the effectiveness of different incentive schemes and organisational structures in motivating performance and resolving conflicts of interest within organisations. | <ul style="list-style-type: none"> • Final Exam • 4 Problem Sets |
| CLO2 : Solve game-theoretic models of organisational issues, and apply them to interpret and analyse real-world organisational problems. | <ul style="list-style-type: none"> • Final Exam • 4 Problem Sets |
| CLO3 : Communicate and explain concepts related to organisational economics. | <ul style="list-style-type: none"> • Final Exam • 4 Problem Sets |

Learning and Teaching Technologies

Moodle - Learning Management System

Learning and Teaching in this course

Approach to Learning and Teaching in the Course

The lectures, tutorials and assessment have been designed to appropriately challenge students and support the achievement of the desired learning outcomes. A climate of inquiry and dialogue is encouraged between students and teachers and among students (in and out of class). The lecturers and tutors aim to provide meaningful and timely feedback to students to improve learning outcomes.

Learning Activities and Teaching Strategies

The examinable content of the course is defined by the references given in the lecture schedule, the content of lectures, and the content of the tutorial program.

Lectures

Lectures will provide a framework to understand the topics that make up the course; emphasise the important concepts and methods of each topic, and provide relevant examples to which the concepts and methods are applied.

There will be two in-person lectures per week.

Tutorials

All tutorials will be in-person.

Assessments

Assessment Structure

| Assessment Item | Weight | Relevant Dates | Program learning outcomes |
|---|--------|---|---|
| Final Exam Assessment Format: Individual | 60% | Start Date: Not Applicable Due Date: Not Applicable | <ul style="list-style-type: none">• PLO1 : Business Knowledge• PLO2 : Problem Solving• PLO3 : Business Communication• PLO5 : Responsible Business Practice• PLO6 : Global and Cultural Competence• PLO7 : Leadership Development |
| 4 Problem Sets Assessment Format: Individual | 40% | Start Date: Not Applicable Due Date: Please see the Detailed Assessment Description for the assessment due date. | <ul style="list-style-type: none">• PLO1 : Business Knowledge• PLO2 : Problem Solving• PLO3 : Business Communication• PLO5 : Responsible Business Practice• PLO6 : Global and Cultural Competence• PLO7 : Leadership Development |

Assessment Details

Final Exam

Assessment Overview

The final exam will be held during the university examination period. The exam is an individual assessment, and will consist of three multi-part problems. The problems will be based on the lectures and problem sets. All material covered in the lectures and tutorial program is examinable.

Assesses: PLO1, PLO2, PLO3, PLO5, PLO6, PLO7. BCom students:

myBcom points PLO5.

Course Learning Outcomes

- CLO1 : Evaluate the effectiveness of different incentive schemes and organisational structures in motivating performance and resolving conflicts of interest within organisations.
- CLO2 : Solve game-theoretic models of organisational issues, and apply them to interpret and analyse real-world organisational problems.
- CLO3 : Communicate and explain concepts related to organisational economics.

Detailed Assessment Description

(*) This course will have an invigilated exam held on UNSW's Kensington campus. It is a mandatory requirement that you attend the exam on-campus.

Assignment submission Turnitin type

This is not a Turnitin assignment

Generative AI Permission Level

No Assistance

This assessment is designed for you to complete without the use of any generative AI. You are not permitted to use any generative AI tools, software or service to search for or generate information or answers.

For more information on Generative AI and permitted use please see [here](#).

4 Problem Sets

Assessment Overview

There will be four problem sets. These problem sets are individual assessments and will give you the opportunity to: (i) practise the techniques demonstrated in class, (ii) extend the analysis by deriving new results and/or by considering different situations, and (iii) apply the results of the analysis to understand relevant managerial issues.

Assesses: PL01, PL02, PL03, PL05, PL06, PL07

Course Learning Outcomes

- CLO1 : Evaluate the effectiveness of different incentive schemes and organisational structures in motivating performance and resolving conflicts of interest within organisations.
- CLO2 : Solve game-theoretic models of organisational issues, and apply them to interpret and analyse real-world organisational problems.
- CLO3 : Communicate and explain concepts related to organisational economics.

Detailed Assessment Description

Each problem set is worth 10% of your overall mark.

The four problem sets will be due in Weeks 3, 5, 7, and 9 respectively. Submissions will be made via the course moodle site.

Each problem set will be due on Thursday 16:00 of the week in question.

Assignment submission Turnitin type

This is not a Turnitin assignment

Generative AI Permission Level

Simple Editing Assistance

In completing this assessment, you are permitted to use standard editing and referencing functions in the software you use to complete your assessment. These functions are described below. You must not use any functions that generate or paraphrase passages of text or other media, whether based on your own work or not.

If your Convenor has concerns that your submission contains passages of AI-generated text or media, you may be asked to account for your work. If you are unable to satisfactorily demonstrate your understanding of your submission you may be referred to UNSW Conduct & Integrity Office for investigation for academic misconduct and possible penalties.

For more information on Generative AI and permitted use please see [here](#).

General Assessment Information

Grading Basis

Standard

Requirements to pass course

In order to pass this course students must:

- Achieve a composite mark of at least 50 out of 100
- Engage actively in course learning activities and attempt all assessment requirements
- Meet any additional requirements specified in the assessment details
- Meet the specified attendance requirements of the course (see Schedule section)

Course Schedule

| Teaching Week/Module | Activity Type | Content |
|--------------------------------------|---------------|--|
| Week 1 : 9 September - 15 September | Lecture | Introduction to Incentives (Readings for each week will be provided on Moodle.) |
| | Other | Lecture Material from Week 1 |
| Week 2 : 16 September - 22 September | Lecture | Multitasking and Incentive Alignment |
| | Tutorial | Lecture Material from Week 1 |
| | Other | Q & A session (Wed 14:00-15:30) Lecture Material from Week 2 |
| Week 3 : 23 September - 29 September | Lecture | Risk and Incentives |
| | Tutorial | Lecture Material from Week 2 |
| | Other | Lecture Material from Week 3 |
| | Assessment | Problem Set 1 (due Thursday 16:00) |
| Week 4 : 30 September - 6 October | Lecture | Relative Performance Evaluation |
| | Tutorial | Lecture Material from Week 3 |
| | Other | Lecture Material from Week 4 |
| Week 5 : 7 October - 13 October | Lecture | Disagreement and Authority |
| | Tutorial | Lecture Material from Week 4 |
| | Other | Lecture Material from Week 5 |
| | Assessment | Problem Set 2 (due Thursday 16:00) |
| Week 6 : 14 October - 20 October | Other | Flexibility Week |
| Week 7 : 21 October - 27 October | Lecture | Asset Ownership |
| | Tutorial | Lecture Material from Week 5 |
| | Other | Lecture Material from Week 7 |
| | Assessment | Problem Set 3 (due Thursday 16:00) |
| Week 8 : 28 October - 3 November | Lecture | Career Incentives |
| | Tutorial | Lecture Material from Week 7 |
| | Other | Lecture Material from Week 8 |
| Week 9 : 4 November - 10 November | Lecture | Hierarchies |
| | Tutorial | Lecture Material from Week 8 |
| | Other | Lecture Material from Week 9 |
| | Assessment | Problem Set 4 (due Thursday 16:00) |
| Week 10 : 11 November - 17 November | Other | Recap |
| | Tutorial | Lecture Material from Week 9 |

Attendance Requirements

Students are required to attend all tutorials. They are strongly encouraged to attend lectures and/or review lecture recordings, and to attempt the exercises each week.

Course Resources

Prescribed Resources

The website for this course is on UNSW Moodle.

There is no assigned textbook for this course; lecture notes will be provided. However, students

who are interested in further reading on the topic may refer to the following textbooks:

Personnel Economics in Practice by Edward Lazear and Michael Gibbs

Economics, Organization and Management by Paul Milgrom and John Roberts

Contract Theory by Patrick Bolton and Mathias Dewatripont.

Course Evaluation and Development

Feedback is regularly sought from students and continual improvements are made based on this feedback. At the end of this course, you will be asked to complete the [myExperience survey](#), which provides a key source of student evaluative feedback. Your input into this quality enhancement process is extremely valuable in assisting us to meet the needs of our students and provide an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhancing educational quality.

The School of Economics strives to be responsive to student feedback. If you would like more information on how the design of this course and changes made to it over time have taken students' needs and preferences into account, please contact the Director of Education at the School of Economics.

Consent for De-Identified Data to be Used for Secondary Research into Improving Student Experience

To enhance your student experience, researchers at UNSW conduct academic research that involves the use of de-identified student data, such as assessment outcomes, course grades, course engagement and participation, etc. Students of this course are being invited to provide their consent for their de-identified data to be shared with UNSW researchers for research purposes after the course is completed.

Providing consent for your de-identified data to be used in academic research is voluntary and not doing so will not have an impact on your course grades.

Researchers who want to access your de-identified data for future research projects will need to submit individual UNSW Ethics Applications for approval before they can access your data.

A full description of the research activities aims, risks associated with these activities and how your privacy and confidentiality will be protected at all times can be found [here](#).

If you consent to have your de-identified data used for academic research into improving student experience, you do not need to do anything. Your consent will be implied, and your data may be used for research in a format that will not individually identify you after the course is completed.

If you do not consent for this to happen, please email the opt-out form to seer@unsw.edu.au to opt-out from having your de-identified data used in this manner. If you complete the opt-out form, the information about you that was collected during this course will not be used in academic research.

Staff Details

| Position | Name | Email | Location | Phone | Availability | Equitable Learning Services Contact | Primary Contact |
|----------|-----------|-------|----------|-------|---|-------------------------------------|-----------------|
| Convenor | Hongyi Li | | BUS 415 | | Mondays 11:00-12:00, and by appointment | No | Yes |

Other Useful Information

Academic Information

COURSE POLICIES AND SUPPORT

The Business School expects that you are familiar with the contents of this course outline and the UNSW and Business School learning expectations, rules, policies and support services as listed below:

- Program Learning Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Protocol for Viewing Final Exam Scripts
- Student Learning Support Services

Further information is provided on the [Policies and Guidelines](#) page.

Students may not circulate or post online any course materials such as handouts, exams, syllabi or similar resources from their courses without the written permission of their instructor.

STUDENT LEARNING OUTCOMES

The Course Learning Outcomes (CLOs) – under the Outcomes tab – are what you should be

able to demonstrate by the end of this course, if you participate fully in learning activities and successfully complete the assessment items.

CLOs also contribute to your achievement of the Program Learning Outcomes (PLOs), which are developed across the duration of a program. PLOs are, in turn, directly linked to [UNSW graduate capabilities](#). More information on Coursework PLOs is available on the [Policies and Guidelines](#) page. For PG Research PLOs, including MPDBS, please refer to [UNSW HDR learning outcomes](#).

Academic Honesty and Plagiarism

As a student at UNSW you are expected to display [academic integrity](#) in your work and interactions. Where a student breaches the [UNSW Code of Conduct](#) with respect to academic integrity, the University may take disciplinary action. To assure academic integrity, you may be required to demonstrate reasoning, research and the process of constructing work submitted for assessment.

To assist you in understanding what academic integrity means, and how to ensure that you do comply with the UNSW Code of Conduct, it is strongly recommended that you complete the [Working with Academic Integrity](#) module before submitting your first assessment task. It is a free, online self-paced Moodle module that should take about one hour to complete.

Submission of Assessment Tasks

SHORT EXTENSIONS

Short Extension is a new process that allows you to apply for an extended deadline on your assessment without the need to provide supporting documentation, offering immediate approval during brief, life-disrupting events. Requests are automatically approved once submitted.

Short extensions are ONLY available for some assessments. Check your course outline or Moodle to see if this is offered for your assessments. Where a short extension exists, all students enrolled in that course in that term are eligible to apply. Further details are available the [UNSW Current Students](#) page.

SPECIAL CONSIDERATION

You can apply for special consideration when illness or other circumstances beyond your control

interfere with your performance in a specific assessment task or tasks, including online exams. Special consideration is primarily intended to provide you with an extra opportunity to demonstrate the level of performance of which you are capable.

Applications can only be made online and will NOT be accepted by teaching staff. Applications will be assessed centrally by the Case Review Team, who will update the online application with the outcome and add any relevant comments. The change to the status of the application immediately sends an email to the student and to the assessor with the outcome of the application. The majority of applications will be processed within 3-5 working days.

For further information, and to apply, see Special Consideration on the UNSW [Current Students](#) page.

LATE SUBMISSION PENALTIES

LATE SUBMISSION PENALTIES

For assessments other than examinations, late submission will incur a penalty of 5% per day or part thereof (including weekends) from the due date and time. An assessment will not be accepted after 5 days (120 hours) of the original deadline unless special consideration has been approved. In the case of an approved Equitable Learning Plan (ELP) provision, special consideration or short extension, the late penalty applies from the date of approved time extension. After five days from the extended deadline, the assessment cannot be submitted.

An assessment is considered late if the requested format, such as hard copy or electronic copy, has not been submitted on time or where the 'wrong' assessment has been submitted.

For assessments which account for 10% or less of the overall course grade, and where answers are immediately discussed or debriefed, the LIC may stipulate a different penalty. Details of such late penalties will be available on the course Moodle page.

FEEDBACK ON YOUR ASSESSMENT TASK PERFORMANCE

Feedback on student performance from formative and summative assessment tasks will be provided to students in a timely manner. Assessment tasks completed within the teaching period of a course, other than a final assessment, will be assessed and students provided with feedback, with or without a provisional result, within 10 working days of submission, under normal circumstances. Feedback on continuous assessment tasks (e.g. laboratory and studio-

based, workplace-based, weekly quizzes) will be provided prior to the midpoint of the course.

Faculty-specific Information

PROTOCOL FOR VIEWING FINAL EXAM SCRIPTS

UNSW students have the right to view their final exam scripts, subject to a small number of very specific exemptions. The UNSW Business School has set a [protocol](#) under which students may view their final exam script. Individual schools within the Faculty may also set up additional local processes for viewing final exam scripts, so it is important that you check with your School.

If you are completing courses from the following schools, please note the additional school-specific information:

- Students in the **School of Accounting, Auditing & Taxation** who wish to view their final examination script should also refer to [this page](#).
- Students in the **School of Banking & Finance** should also refer to [this page](#).
- Students in the **School of Information Systems & Technology Management** should also refer to [this page](#).

COURSE EVALUATION AND DEVELOPMENT

Feedback is regularly sought from students and continual improvements are made based on this feedback. At the end of this course, you will be asked to complete the [myExperience survey](#), which provides a key source of student evaluative feedback. Your input into this quality enhancement process is extremely valuable in assisting us to meet the needs of our students and provide an effective and enriching learning experience. The results of all surveys are carefully considered and do lead to action towards enhancing educational quality.

QUALITY ASSURANCE

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential.

TEACHING TIMES AND LOCATIONS

Please note that teaching times and locations are subject to change. Students are strongly advised to refer to the [Class Timetable website](#) for the most up-to-date teaching times and locations.