

Professor Christoph Luelfesmann

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July 8-10, 2019

SPECIAL COURSE: Applied Contract Theory: Governance and Institutions

Course Description

This special course studies the contractual relationships of economic agents. The first part briefly introduces principal agent theory as an important theoretical tool. We ask how a 'principal' (firm owner, central government, bank etc.) should optimally design the contracts with her 'agents' (managers, lower-level governments, borrowers) to either elicit private information (Adverse Selection), or to let agents choose appropriate effort levels (Moral Hazard). We also discuss incomplete contracting as an important building block for an ownership-based theory of the firm. The second part of the course then applies these concepts to various interesting real-world issues, to come up with often surprising results.

Course requirements

Hand in solutions of exercises

Schedule of classes

July 8: 10:00–12:00 and 13:30–16:00

July 9: 10:00–12:00 and 13:30–16:00

July 10: 10:00–12:00 and 13:30–16:00

Venue

TU Dresden, Münchner Platz 1-3, 01187 Dresden, room SCH B 37

Registration: Please contact Yvonne Bludau, E-mail: yvonne.bludau@tu-dresden.de, until **May 15, 2019**.

Participation is limited (max. 15)