

Module Handbook (<https://modhb.uni-kl.de/>)

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## Course WIW-IOE-VT-K-7

Contract Theory (3V, 4.5 LP)

### Course Type

SWS	Type	Course Form	CP (Effort)	Presence-Time / Self-Study
3	V	Lecture	4.5 CP	45 h / 90 h
(3V)			4.5 CP	45 h / 90 h

### Basedata

SWS	3V
CP, Effort	4.5 CP = 135 h
Position of the semester	1 Sem. in SuSe
Level	[7] Master (Advanced)
Language	[EN] English
Lecturers	Weinschenk, Philipp, Prof. Dr. (PROF   DEPT: WIW) (/staff/55/)
Area of study	[WIW-IOE] Microeconomics
Lifecycle-State	[NORM] Active

### Contents

How can economic actors overcome incentive problems, which may be caused by diverse factors e.g. asymmetric information?

Central Topics:

- Principal-Agent Models
- Incentive Constraints and Participation Constraints
- Hidden Information: Lemons-Problem, Screening, Self-Selection, Signalling
- Hidden Actions: Risk Premium, Limited Liability, Team-Problems
- Dynamic Extensions and Tournaments
- Applications in Industrial Economics and Finance

### Literature

Literature:

- Laffont, J.-J., Martimort, D. (2001): The Theory of Incentives: The Principal-Agent Model. Princeton University Press. Princeton und Woodstock.

## Materials

- Lecture documents
- Problem sets

## Requirements for attendance (informal)

None

## Requirements for attendance (formal)

None

## References to Course [WIW-IOE-VT-K-7]

Module	Name	Context
[WIW-IOE-VT-M-7 (/mhb/modules/WIW-IOE-VT-M-7/)]	Contract Theory	P: Obligatory 3V, 4.5 LP