

## Course Descriptions None 2023-2024

Course Title Institutional Economics  
 Course Code EBC2015  
 ECTS Credits 6,5  
 Assessment Whole/Half Grades

Period	Start	End	Mon	Tue	Wed	Thu	Fri
5	15-4-2024	7-6-2024	X		L	X	

Level Intermediate  
 Coordinator Alexander Vostroknutov For more information: [a.vostroknutov@maastrichtuniversity.nl](mailto:a.vostroknutov@maastrichtuniversity.nl)  
 Language of instruction English  
 Goals Acquiring a structured insight into the important role of institutions in the performance of the economy  
 - Learning about the crucial roles of imperfect information, bounded rationality, transaction costs and property rights in the functioning of the economy  
 - Being able to apply the above insights to real-life developments in the economy

Description Institutions have always been an important subject in economics. A relatively recent approach to the study of institutions in economics is the so-called New Institutional Economics (NIE). What is new in NIE as compared to the 'old' institutional economics is its emphasis on a firm theoretical foundation and systematic reasoning. It tries to analyse the role of institutions in society in a systematic and structured way, which is comparable to the structured approach of neoclassical economics. On the other hand, its themes are essentially different from those in neoclassical economics. One important theme of NIE are the impacts of imperfect information, bounded rationality and transaction costs. Transaction costs are 'the costs of running the economic system', like costs of search for information, bargaining, making and enforcing contracts, monitoring, etc. Another main theme of NIE are the effects and origins of property rights. For example, the care and effort that you spend on your apartment or house will strongly depend on whether you own or rent it. This course offers an introduction to the basic theories of transaction costs, property rights, and contracts, and applies these theories to the functioning and performance of markets, firms, and the state. Moreover, the roles of intrinsic motivation, trust, social norms, and endogenous preferences are highlighted.

Literature Articles and chapters from books  
 Prerequisites Intermediate knowledge and understanding of microeconomics (level comparable to: course Microeconomics: Choices, Markets and Welfare ) and macroeconomics (level comparable to: course Macroeconomics and Economic Policy)  
 An advanced level of English

Teaching methods Presentation / Lecture / Groupwork

Assessment methods Participation / Presentation

Evaluation in previous academic year For the complete evaluation of this course please click <http://iwio-sbe.maastrichtuniversity.nl/rapporten.asp?referrer=codeUM>

This course belongs to the following programme / specialisation

Bachelor Economics and Business Economics - Economics	Year 2 Compulsory Course(s)
Bachelor Economics and Business Economics - Emerging Markets	Year 2 Elective Course(s)
Bachelor Economics and Business Economics - Emerging Markets	Year 3 Elective Course(s)
Bachelor Economics and Business Economics - Economics and Management of Information	Year 2+3 Elective Course(s)
Bachelor Economics and Business Economics - International Business Economics	Year 3 Core Course(s) - Maj Micro
Bachelor Economics and Business Economics - International Business Economics	Year 3 Economics Elec(s) - Maj Accounting
Bachelor Economics and Business Economics - International Business Economics	Year 3 Economics Elec(s) - Maj Finance
Bachelor Economics and Business Economics - International Business Economics	Year 3 Economics Elec(s) - Maj Inf Mgmt
Bachelor Economics and Business Economics - International Business Economics	Year 3 Economics Elec(s) - Maj Marketing
Bachelor Economics and Business Economics - International Business Economics	Year 3 Economics Elec(s) - Maj Org
Bachelor Economics and Business Economics - International Business Economics	Year 3 Economics Elec(s) - Maj SCM
Bachelor Economics and Business Economics - International Business Economics	Year 3 Economics Elec(s) - Maj Strategy
Bachelor Econometrics and Operations Research	Year 3 Elective Course(s)
SBE Exchange Bachelor	Bachelor Exchange Courses
SBE Exchange Master	Bachelor Exchange Courses
SBE Non Degree Courses	Bachelor Courses