

Topics for your Written Reports – UNITE 23-24

Find here the list of topics you ought to choose from for your written reports. Remember:

- as I told you on the first day of classes you are supposed to produce two written reports: the first is due ten days after the last day of classes and the second one is due a week before finals.
- each report will weigh for a 20% of the final grade;
- reports should be no longer than 7.200 characters but there is no lower bound, though;
- reports will be written in good italian or good english (Both British and US spelling will be accepted), new ideas are more than welcome, criticisms, objections, doubts and wit are more than welcome. Try and write something interesting, cool and well argued.

Here is the list:

- 1) Incentive
- 2) Risk
- 3) Contract
- 4) Observability
- 5) Moral Hazard
- 6) Opportunistic behavior
- 7) Hidden information
- 8) Signal
- 9) On the role of information in economics and management
- 9) Write a comment about this passage from Adam Smith's book *The Wealth of Nations*: "It is often difficult to ascertain the proportion between two different quantities of labour. The time spent in two different sorts of work will not always alone determine this proportion. The different degrees of hardship endured, and of ingenuity exercised, must likewise be taken into account. There may be more labour in an hour's hard work than in two hours easy business; or in an hour's application to a trade which it cost ten years labour to learn, than in a month's industry at an ordinary and obvious employment. But it is not easy to find any accurate measure either of hardship or ingenuity."
- 10) Will the Gig economy lead to a change as to the role of incentives and reputation in managerial practices?

- 11) Write a comment on this passage from Ronald Coase' paper *The Nature of the Firm*. "If a workman moves from department Y to department X, he does not go because of a change in prices but because he is ordered to do so ... the distinguishing mark of the firm is the suppression of the price mechanism."
- 12) Write a comment on this passage from Karl Marx's *Das Kapital*. "The rise in [...] wages may [...] be unaccompanied by any change in the price of labour (meaning effort), or may even be accompanied by a fall in the latter". Note that 'labor' is Marx's for what we called 'effort'.
- 13) Is an employee's supply of effort in a production process the result of an exchange?
- 14) Herbert Simon represented the employment contract as an exchange in which the employees transfer control rights over their work tasks to the employer in return for a wage. Simon stressed the advantage to the employer of this arrangement as there is unavoidable uncertainty about the tasks that would be required over the course of the contract. What are your ideas on Simon's argument?
- 15) Does advertising qualify as a signal?
- 16) Reflect and comment on the following story. In 1995 the Ukrainian pole vaulter Sergei Bubka received \$30,000 every time he broke the world pole vault record. The experts all agreed that he was able to break the record by close to 10 centimetres. However, up to September 1995, he had broken his own record 35 times, each time by one centimetre. Comment on this incentive system from the point of view of the world record achieved. Reason out the objectives that could justify offering this type of prize to an athlete.
- 17) Can you give a reading of the financial crisis/housing market crash of 2008 in terms of moral hazard?
- 18) Here's what Henry Ford said about his famous "five dollars a day" decision: "There was no charity in any way involved [...]. The payment of five dollars a day for an eight hour day was one of the finest cost cutting move we ever made." Why does he talk about "cost cutting"? Can you explain and comment on this sentence?
- 19) Watch the movie "Sorry we Missed You" by the (great) british director Ken Loach (available on the platform RaiPlay as of november 2023). Have the opening scene (say, 0 to 3 min i.e. dialogue in the boss' office) analyzed using what you learned in our class. Should you have troubles in accessing Raiplay, there is a clip of the relevant scene on you tube at <https://www.youtube.com/watch?v=3IrK4nfrLzc> (it is in english but has closed caption).