

# X63 INDUSTRIAL ORGANISATION

## COURSE OUTLINE

### 1. GENERAL

<b>SCHOOL</b>	ECONOMIC SCIENCES		
<b>DEPARTMENT</b>	ECONOMICS AND SUSTAINABLE DEVELOPMENT		
<b>LEVEL OF STUDY</b>	<i>Undergraduate</i>		
<b>COURSE UNIT CODE</b>	X63	<b>SEMESTER OF STUDY</b>	7
<b>COURSE TITLE</b>	INDUSTRIAL ORGANISATION		
<b>COURSEWORK BREAKDOWN</b>		<b>TEACHING WEEKLY HOURS</b>	<b>ECTS Credits</b>
Lectures		3	7.5
<b>COURSE UNIT TYPE</b>	Scientific area		
<b>PREREQUISITES :</b>			
<b>LANGUAGE OF INSTRUCTION/EXAMS:</b>	English		
<b>COURSE DELIVERED TO ERASMUS STUDENTS</b>	YES		
<b>MODULE WEB PAGE (URL)</b>			

### 2. LEARNING OUTCOMES

<b>Learning Outcomes</b>
<p>Scope: The study and understanding of strategic behavior of firms in oligopoly status and monopolistic competition.</p> <p>Aim: Industrial Organisation aims to familiarize the students of the Department of Economics with the strategic behavior of firms in oligopoly status and monopolistic competition and micro-economic policy, the principles of regulatory policy and competition policy.</p>
<b>General Skills</b>
<ul style="list-style-type: none"> <li>Understanding and deepen the strategic interaction of firms in monopolistic competition regime and oligopoly - game theory and their application to strategic business interaction.</li> </ul>

### 3. COURSE CONTENTS

<p>Market forms : oligopoly and monopolistic competition : Strategic behavior . Introduction to game theory - the decision analysis in strategic situations . Decision trees and game trees . Games in strategic and extensive form. Major strategies and the prisoner's dilemma . Nash equilibrium. Mixed strategies. Multiplicity and effectively balances. Credible threats and balances perfect in sub-game . Repeated games . Games with incomplete ( asymmetric ) information. Reputation and strategic behavior . Pricing in oligopoly with homogeneous products - Cournot - Nash and Bertrand – Nash models. Solutions to the Bertrand paradox. The von Stackelberg ( leader - following</p>
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undertakings ) oligopoly with differentiated products model - Hotelling and Chamberlin type models. Monopolistic Competition . Markets and Pricing inputs : Maximizing profit and demand inputs. Comparative statics. Marginal productivity analysis and identification of units involved. Monopsony . Monopoly power in the supply rates. Labour. Capital and return on capital . Demand for capital by firms . Optimal allocation of resources over time . Market failures : Basic causes of market failure , monopoly power . Externalities and allocative inefficiency, Solutions to the problem of externalities , public goods - characteristics and resource allocation with public goods , incomplete ( asymmetric ) information - moral hazard and adverse selection , Micro - Economic Policy, regulatory principles and competition policy .

#### 4. TEACHING METHODS - ASSESSMENT

<b>MODE OF DELIVERY</b>	In class contact	
<b>USE OF INFORMATION AND COMMUNICATION TECHNOLOGY</b>	Dynamic powerpoint transparencies e-class support Communication via e-mail and course discussion group	
<b>TEACHING METHODS</b>	<b><i>Method description</i></b>	<b><i>Semester Workload</i></b>
	lectures	39
	<b><i>Study</i></b>	148.5
	<b><i>Course total (25 hours of work load per credit)</i></b>	<b>187.5</b>
<b>ASSESSMENT METHODS</b>	Optional mid-term evaluation accounting 30% of the total mark  Final examination: - multiple choice questions	

#### 5. RESOURCES

-- Recommended Book Resources:

- Recommended Article/Paper Resources:

Varian, H., (2011), *Intermediate Micro-Economics*, London:Norton.

Gravelle, H., R.Rees, (2014), *Microeconomics*, London:Prentice Hall.

