

## Content

| Course Code | Course Name          | Semester | Theory | Practice | Lab | Credit | ECTS |
|-------------|----------------------|----------|--------|----------|-----|--------|------|
| ECON401     | Industrial Economics | 7        | 3      | 0        | 0   | 3      | 5    |

|                        |  |
|------------------------|--|
| Prerequisites          |  |
| Admission Requirements |  |

|                         |   |
|-------------------------|---|
| Language of Instruction |   |
| Course Type             | Compulsory  |
| Course Level            | Bachelor Degree   |
| Objective               | The course aims at familiarising students with different market structures and analysing the relationship between strategic behaviour and market structure.   |
| Content                 | The course offers micro-economic and game-theoretic analyses of market structure and performance of industries starting with the analysis of a wide variety of noncompetitive market structures (such as the monopoly, various types of oligopolies competing according to Cournot, Bertrand, sequential moves, and location) in markets for homogeneous and differentiated products. The course proceeds with the analysis of entry barriers, entry deterrence and mergers.                            |
| References              | Shy, Oz. Industrial Organization: Theory and Applications, The MIT Press, 1996<br>Greer, D. Industrial Organization and Public Policy, 3rd ed. MacMillan, 1992.<br>Motta, M. Competition Policy. Cambridge University Press, 2004. Pepall, L., Richards, D., and Norman, G. Industrial Organization. Thomson South-Western, 1999.<br>Tirole, J. The Theory of Industrial Organization. MIT Press, 1988.<br>Waldman, D. & E. Jensen. Industrial Organization, 3rd edition. Pearson- Prentice Hall, 2007. |

## Theory Topics

| Week | Weekly Contents   |
|------|---|
| 1    | Technology, cost of production and demand Perfect competition                                       |
| 2    | Monopoly: monopoly and welfare, price discrimination and cartel                                     |
| 3    | Monopoly and durable goods  |
| 4    | Homogeneous goods: imperfect competition, Cournot and Bertrand competition, comparison, Stackelberg |
| 5    | Homogeneous goods: collusive behaviour  |
| 6    | Heterogeneous goods: case of two differentiated goods, monopolistic competition                     |
| 7    | Heterogeneous goods: location models  |
| 8    | Concentration, merger, types of mergers   |
| 9    | Horizontal and vertical mergers   |
| 10   | Barriers of entry: natural barriers and strategic barriers  |
| 11   | Barriers of entry: Bain   |
| 12   | Contestable markets   |
| 13   | Applications  |