

Syllabus

Course Description

Course Title	Industrial Economics
Course Code	27022
Course Title Additional	
Scientific-Disciplinary Sector	ECON-04/A
Language	German
Degree Course	Bachelor in Economics and Management
Other Degree Courses (Loaned)	
Lecturers	Dr. Wolfgang Gick, wolfgang.gick@unibz.it https://www.unibz.it/en/faculties/economics-management/academic-staff/person/33840
Teaching Assistant	
Semester	First semester
Course Year/s	3
CP	6
Teaching Hours	36
Lab Hours	18
Individual Study Hours	-
Planned Office Hours	18
Contents Summary	<p>The industrial economics course begins with an introduction and repetition of the models of perfect competition, monopoly, monopolistic competition and oligopoly. The aim is to analyse production and pricing in markets with imperfect competition. Our tool of analysis is game theory, which we use to tackle quantity and price competition with all its extensions to models with asymmetric information, price discrimination, vertical and horizontal product differentiation and competition policy. Other topics include network economics, platform markets and the economics of innovation.</p> <p>The approach aims to provide students with an understanding of</p>

	<p>industrial economics topics and issues, as well as a detailed understanding of market structures and competition. The approach is intuitive, guided by game theory models and their application to industrial economics topics. In this way, it should be possible to convey a broad understanding of industrial economics.</p>
Course Topics	<p>Origin and development of industrial economics, market structure-market behaviour-market outcome approach, new industrial economics.</p> <p>Monopoly pricing versus price-taking, market power and monopoly pricing, welfare loss, first-degree price discrimination, regulation of a monopolist.</p> <p>Second and third degree price discrimination, monopolist with two goods, monopolistic competition.</p> <p>Fundamentals of game theory, games in extensive and normal form, best responses, dominated strategies, backward induction, Nash equilibrium, mixed strategies, signalling games.</p> <p>Oligopolies: quantity competition, Cournot, Stackelberg, reaction functions, cartels, price competition for homogeneous goods, capacity barriers and product differentiation.</p> <p>Spatial product differentiation, hoteling competition. Barriers to market entry and strategic behaviour: Capacity choice, limit pricing.</p> <p>Competition policy: historical development, case studies, market efficiency and competition, competition law.</p> <p>Innovation economics: research and development, market structure and innovation incentives, patents and strategic behaviour, patent competition, spillover effects and research cooperation.</p> <p>Network externalities and two-sided markets, platforms and pricing.</p>
Keywords	<p>Market structure-market behaviour-market outcome approach, new industrial economics, monopoly, monopolistic competition, price discrimination, game theory, oligopolies, product differentiation, competition policy, innovation economics, network externalities and platform markets.</p>
Recommended Prerequisites	None
Propaedeutic Courses	
Teaching Format	Lectures and exercises

Mandatory Attendance	No compulsory attendance
<p>Specific Educational Objectives and Learning Outcomes</p>	<p>ILO (Intended Learning Outcomes)</p> <p>ILO 1 Knowledge and understanding</p> <p>ILO 1.1 Knowledge of the economic theory of demand and supply of goods and services, equilibrium and pricing mechanisms in the market economy</p> <p>ILO 1.2 Knowledge of competition theories in the markets in relation to classical, neoclassical and evolutionary theoretical models</p> <p>ILO 1.3 Knowledge of the basic theorems of welfare economics</p> <p>ILO 1.4 Understanding of the behaviour of microeconomic actors with special consideration of consumption and business theories as well as the application of game theory</p> <p>ILO 1.5 Understanding the effects of digitalisation on economic and entrepreneurial activity</p> <p>ILO 2 Ability to apply knowledge and understanding</p> <p>ILO 2.1 Be able to analyse the demand for goods and services and evaluate the cost structure, its role and importance for business decisions</p> <p>ILO 2.2 Be able to carry out an analysis of the economic behaviour of public and private actors using game theory</p> <p>ILO 3 Making judgements</p> <p>ILO 3.1 recognise the most important problems in complex decision-making situations</p> <p>ILO 3.2 critically analyse the facts and the situations to be dealt with</p> <p>ILO 3.3 select the most appropriate quantitative and qualitative methods of analysis</p> <p>ILO 4 Learning skills</p> <p>ILO 4.1 Obtain information to update the constantly changing general and specific context of reference</p> <p>ILO 4.2 Critically analyse and integrate data, information and</p>

	future experiences, also using advanced software
Specific Educational Objectives and Learning Outcomes (additional info.)	
Assessment	Final exam: 100% of the course material is tested in the final exam ⁴ ILOs assessed 1 to 4
Evaluation Criteria	The grading of the final exam is based on the answers to formal and open questions. The same examination modalities apply to all students (students participating in the course and students not participating in the course).
Required Readings	4/8 Belleflamme, P., Peitz, M., Industrial Organisation. Markets and Organisation. Second edition, Cambridge University Press, 2015. Bester, H., Theorie der Industrieökonomik, Berlin, Springer, 2017
Supplementary Readings	
Further Information	
Sustainable Development Goals (SDGs)	Industry, innovation and infrastructure