

Syllabus

Course Description

Course Title	Industrial Economics
Course Code	27022
Course Title Additional	
Scientific-Disciplinary Sector	SECS-P/06
Language	German
Degree Course	Bachelor in Economics and Management
Other Degree Courses (Loaned)	
Lecturers	<p>Dr. Wolfgang Gick, wolfgang.gick@unibz.it https://www.unibz.it/en/faculties/economics-management/academic-staff/person/33840</p> <p>Dr. Stefan Gruber, Stefan.Gruber@unibz.it https://www.unibz.it/en/faculties/economics-management/academic-staff/person/1073</p>
Teaching Assistant	
Semester	First semester
Course Year/s	3
CP	6
Teaching Hours	36
Lab Hours	18
Individual Study Hours	-
Planned Office Hours	
Contents Summary	<p>This is a course on modern industrial economics, covering models of perfect competition, monopoly, monopolistic competition, oligopoly and extensions.</p> <p>While we will begin with the basic concepts of microeconomics, our main focus will be on how firms make decisions about production and prices given the market they face.</p>

	<p>Our focus will be on game theory, an indispensable tool for understanding strategic competition.</p> <p>strategic competition. We will apply it to the analysis of quantity and price competition with all its extensions, asymmetric information, price discrimination, vertical and horizontal product differentiation and competition policy.</p> <p>This will help students to develop an understanding of what industrial economics is all about.</p> <p>Developing a good economic intuition will be of great help to fully grasp industrial economics. Other topics include markets with network goods, multi-sided platforms and the economics of innovation.</p>
Course Topics	<p>Origins of industrial organization, structure-conduct-performance 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>Basics 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, Hotelling competition. Barriers to market entry and strategic behaviour: Capacity choice, limit pricing.</p> <p>Competition policy: historic background, 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	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.
Recommended Prerequisites	None
Propaedeutic Courses	
Teaching Format	Lectures and exercises
Mandatory Attendance	No compulsory attendance
Specific Educational Objectives and Learning Outcomes	<p>Knowledge and understanding</p> <p>Area: Economics</p> <p>Knowledge of the economic theory of demand and supply of goods and services, equilibrium and pricing mechanisms in the market economy</p> <p>Knowledge of competition theories in the markets in relation to classical, neoclassical and evolutionary theoretical models;</p> <p>Knowledge of the basic theorems of welfare economics</p> <p>Understanding of the behaviour of microeconomic actors with special consideration of consumption and company theories as well as the application of game theory</p> <p>Knowledge of the fundamentals of political-economic behaviour and collective decision-making</p> <p>Understanding the role and management of public goods, the role of institutions and information</p> <p>Understanding of the effects of economic policy measures in certain sectors and the role of research, development and innovation</p> <p>Knowledge of various macroeconomic models for analysing short and medium-term economic changes, understanding of the causes of economic growth</p> <p>Knowledge and understanding of the role of expectations in the financial markets, for consumption and for monetary and fiscal policy</p> <p>Understanding of the mechanisms of exchange rates and monetary and fiscal policy in the European Monetary Union</p> <p>Understanding the use of finite resources and the principles of sustainability</p> <p>Understanding the effects of digitalisation on economic and entrepreneurial activity</p>

	<p>Knowledge of the mechanisms underlying the effective communication of theoretical and empirical economic arguments in three languages: Italian, German and English</p> <p>Ability to apply knowledge and understanding</p> <p>Field : Economics</p> <p>be able to analyse the demand for goods and services and evaluate the cost structure, its role and importance in business decisions</p> <p>be able to critically compare the different business theories</p> <p>be able to analyse the role and function of macroeconomic variables in closed economies in the short, medium and long run</p> <p>be able to carry out an analysis of the economic behaviour of public and private actors using game theory</p> <p>be able to assess the role of governments and the need for political-economic intervention in market economies</p> <p>be able to formulate economic policy objectives and evaluate their outcomes and use available information to assess the appropriateness of monetary and fiscal policy with respect to macroeconomic variables</p> <p>be able to use available information to apply and understand the principles and operational implications of competition theories and industrial policy</p> <p>be able to analyse economic activity in terms of sustainability</p> <p>be able to communicate the results of economic analyses prepared according to international professional standards in three languages: Italian, German and English.</p> <p>Making judgements</p> <p>recognise the most important problems in complex decision-making situations</p> <p>critically analyse the facts and the situations to be dealt with</p> <p>select the most appropriate quantitative and qualitative methods of analysis</p> <p>Learning skills</p> <p>Obtain information to update the constantly changing general and specific reference context</p> <p>critically analyse and integrate data, information and future experiences, also using advanced software</p>
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Specific Educational Objectives and Learning Outcomes (additional info.)	
Assessment	Final exam: 100% of the course material is tested in the final exam
Evaluation Criteria	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	<p>4/8</p> <p>Belleflamme, P., Peitz, M., Industrial Organisation. Markets and Organisation. Second edition, Cambridge University Press, 2015.</p> <p>Woeckener, B., Strategic Competition: An Introduction to Industrial Economics, 3rd edition, Springer Gabler, 2014.</p>
Supplementary Readings	
Further Information	
Sustainable Development Goals (SDGs)	Industry, innovation and infrastructure