Syllabus
Course description

Course title	**Economics**
Course code	**27173 (Erasmus M1 27183 – M2 27184)**
Scientific sector	SECS-P/01
Degree	LM 77 – Master in Entrepreneurship and Innovation
Semester and academic year	1st and 2nd semester, 2017/2018
Year	1st year
Credits	12
Modular	Yes

Total lecturing hours	72
Total lab hours	12
Total exercise hours	-
Attendance	suggested, but not required
Prerequisites	Attendance of the course is suggested. Knowledge of calculus and of the basics of optimization theory helps, but not it is not a requirement.
Course page	https://www.unibz.it/en/faculties/economics-management/master-entrepreneurship-innovation/

Specific educational objectives	The course refers to the typical educational activities and belongs to the scientific area of Economics. The course gives a general overview of the issues of microeconomic theory pertinent to the analysis of entrepreneurial and innovative activities. The educational objectives are to provide students with a good grasp of microeconomic tools that are needed to analyze firm behavior and optimization.

Module 1	**27173 – M1-Business economics**
Lecturer	Federico Boffa, Federico.Boffa@unibz.it, +39 0471 013278, http://www.unibz.it/de/public/university/welcome/staffdetails.html?personid=5799&hstf=5799
Scientific sector of the lecturer	SECS-P/01
Teaching language	English
Office hours	https://www.unibz.it/en/timetable/?department=26&degree=12835

Lecturing assistant	Stefano Castriota
Teaching assistant	None
Office hours	-
List of topics covered	Basic principles of Business Economics: Industrial Organization and Competitive Strategy. In particular: The course will cover the following topics: 1) Market structure and market power 2) Technology and production costs 3) Monopoly power 4) Price discrimination 5) Oligopoly games 6) Limit pricing 7) Predation 8) Collusion 9) Digital markets 10) Network externalities 11) Two sided networks 12) Basics of contract theory 13) Principles of demand estimation
Teaching format	Frontal lectures and exercises.

Module 2	**27173 – M2-Innovation economics**
Lecturer	Federico Boffa, Federico.Boffa@unibz.it, +39 0471 013278, http://www.unibz.it/de/public/university/welcome/staffdetails.html?personid=5799&hstf=5799
Scientific sector of the lecturer	SECS-P/06
Teaching language	English
Office hours	https://www.unibz.it/en/timetable/?department=26&degree=12835
Lecturing assistant	none
Teaching assistant	none
List of topics covered	1.Introduction to economics of innovation: radical vs incremental innovation and incentives to innovate 2. Technological innovation in the history of economic thought 3. Complementarities and innovation 4. Innovation in ICT: network externalities and standard setting. Patents versus Open Science 5. Institutions and innovation: role of the market vs role of the government 6. Financing innovations: moral hazard and adverse

	selection. 7. Knowledge economy: public intervention and private incentives 8. The innovative enterprise: knowledge, competences, organization and borders 9. Firms' strategies for innovation 10. Diffusion of innovations and adoption 11. Innovation and growth 12.Concurrent technologies and increasing returns from adoption
Teaching format	Frontal lectures and exercises.

Learning outcomes	Knowledge and understanding: M1: Fundamental knowledge of general microeconomic theory Fundamental knowledge of general microeconomic models applied to economic problems Advanced knowledge of general microeconomic models applied to economic problems M2:Fundamental knowledge of general microeconomic theory Fundamental knowledge of general microeconomic models applied to economic problems Advanced knowledge of general microeconomic models applied to economic problems Explain key economic theories. Demonstrate an understanding of the workings of markets, the economy, and firm behaviour in the economy. Knowledge of the measurement of the level of innovative activity Understanding of the relation between innovation and economic growth Understanding of the relation between market structure and incentives to innovate Knowledge of the tools to protect and foster innovation (intellectual property rights, patents, licensing arrangements, and innovation networks) Understanding of innovation applied to ICTs: effects of network externalities, standard, complementarity on the application of new technologies. Knowledge of the innovation policy tools Applying knowledge and understanding: M1: Apply economic theory in the analysis of problems or issues Employ marginal analysis for decision making Analyze operations of markets under varying competitive conditions.

	Ability to thoroughly understand the drivers and the effects of innovation, both within firms and within organizations M2:Apply economic theory in the analysis of problems or issues Employ marginal analysis for decision making Analyze operations of markets under varying competitive conditions. Ability to thoroughly understand the drivers and the effects of innovation, both within firms and within organizations Ability to assess, within a managerial perspective, costs and benefits of innovative activity within a firm, both in the short and in the medium-long run Ability to identify, from the viewpoint of a manager, the innovation protection tools that best fit the different contexts, assessing their costs and benefits Ability to assess, within a policy-maker perspective, effectiveness and efficiency of the various industrial policy instruments for innovation. Ability to analyze, from the viewpoint of a policy-maker, the impact of regional policy to promote and support innovation on local development Making judgments: M1: the student should, based on key issues presented, be able to reflect on specific problems and formulate judgments that include reflection on the relevant problems under consideration M2: the student should, based on key issues presented, be able to reflect on specific problems and formulate judgments that include reflection on the relevant problems under consideration. Students should also be able to assess regional policies to promote innovation. Communication skills: M1 and M2: students should be able to communicate the content, the key concepts, ideas, and their solutions to the problems to both a specialist and a non-specialist audience. Learning skills: M1: The student should have a broad understanding of the economic principles that are important for business management. She/he should be able to apply essential elements of core business principles to (case studies of) the business environment. M2:students are expected to develop learning skills necessary to continue to undertake further study with a high degree of autonomy.
Assessment	The assessment takes into consideration the combined

	acquisition of the learning outcome reached by the students in the two modules. Over the course, students are expected to participate to class discussion based on readings and topic assigned in advance. They are also given written final exam, project works, and oral presentations
Assessment language	M1 English, M2 English
Evaluation criteria and criteria for awarding marks	The final grade will be the arithmetic average of the grade in M1 and in M2. For M1 and M2: For attending students: individual written final exam test (at least 70%); course work (at least 30%). For not attending students: final exam 100% The final exam, will assess the following skills: Ability to understand the impact of firms' incentives in designing firms' competitive strategy (pricing, entry) Ability to understand incentives for firms to collaborate and to innovate in environments characterized by complementarities and network externalities Ability to understand both the private incentives and the welfare consequences of firms' strategies Ability to assess, within a managerial perspective, costs and benefits of innovative activity within a firm, both in the short and in the medium-long run Ability to identify, from the viewpoint of a manager, the innovation protection tools that best fit the different contexts, assessing their costs and benefits Ability to assess, within a policy-maker perspective, effectiveness and efficiency of the various industrial policy instruments for innovation. Ability to assess the role of institutions (private sector vs public sector) in promoting and supporting innovation Students are expected both to be able to solve formal economic models, and to discuss their implications.
Required readings	For M1+M2: Lynne Pepall, L., Richards, D., Norman, G., "Industrial Organization: Contemporary Theory and Empirical Applications", Wiley, 2014 For M2: S. Comino, F. Manenti, "The Industrial Organisation of High-Technology Markets: The Internet and Information Technologies"
Supplementary readings	Additional handouts will be distributed in class or on Reserve Collection. Slides will always be uploaded on Reserve Collection before class.