

## Syllabus

### Course description

<b>Course title</b>	<b>Economics for Management</b>
<b>Course code</b>	<b>27234</b>
<b>Scientific sector</b>	SECS-P/01
<b>Degree</b>	LM 77 – Master in Entrepreneurship and Innovation
<b>Semester and academic year</b>	1 <sup>st</sup> and 2nd semester, 2019/2020
<b>Year</b>	1st year
<b>Credits</b>	12
<b>Modular</b>	Yes

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

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

<b>Module 1</b>	<b>27234A – M1-Business economics</b>
<b>Lecturer</b>	Alessandro Fedele, office E2.05 +39 0471 013298, <a href="https://www.unibz.it/en/faculties/economics-management/academic-staff/person/32469-alessandro-fedele">https://www.unibz.it/en/faculties/economics-management/academic-staff/person/32469-alessandro-fedele</a>
<b>Scientific sector of the lecturer</b>	SECS-P/01
<b>Teaching language</b>	English

<b>Office hours</b>	<a href="https://www.unibz.it/en/timetable/?department=26&amp;degree=12835">https://www.unibz.it/en/timetable/?department=26&amp;degree=12835</a>
<b>Lecturing assistant</b>	None
<b>Teaching assistant</b>	None
<b>Office hours</b>	18
<b>List of topics covered</b>	<p>Basic principles of Business Economics: Industrial Organization and Competitive Strategy. In particular: The course will cover the following topics:</p> <ol style="list-style-type: none"> <li>1) Market structure and market power</li> <li>2) Competition and differentiation</li> <li>3) Vertical differentiation and price discrimination under competition</li> <li>4) Horizontal differentiation under competition</li> <li>5) Search and switching costs</li> <li>6) Capacity constraints and competitions</li> <li>7) Barriers to competition</li> <li>8) Price discrimination with market power</li> <li>9) Two sided markets</li> <li>10) Entry and entry deterrence</li> <li>11) Predation</li> <li>12) Collusion</li> <li>13) Introduction to demand estimation</li> </ol>
<b>Teaching format</b>	Frontal lectures and exercises.

<b>Module 2</b>	<b>27234B – M2 Innovation Economics</b>
<b>Lecturer</b>	Federico Boffa, <a href="mailto:Federico.Boffa@unibz.it">Federico.Boffa@unibz.it</a> , +39 0471 013278, <a href="https://www.unibz.it/en/faculties/economics-management/academic-staff/person/5799-federico-boffa">https://www.unibz.it/en/faculties/economics-management/academic-staff/person/5799-federico-boffa</a>
<b>Scientific sector of the lecturer</b>	SECS-P/06
<b>Teaching language</b>	English
<b>Office hours</b>	(18) <a href="https://www.unibz.it/en/timetable/?department=26&amp;degree=12835">https://www.unibz.it/en/timetable/?department=26&amp;degree=12835</a>
<b>Lecturing assistant</b>	none
<b>Teaching assistant</b>	none
<b>List of topics covered</b>	<ol style="list-style-type: none"> <li>1) Introduction to economics of innovation: radical vs incremental innovation and incentives to innovate</li> <li>2) Research and development: policies</li> <li>3) Research and development: effects</li> <li>4) Introduction to history of innovation</li> <li>5) Complement products and network externalities</li> <li>6) Net neutrality</li> </ol>

	7) Platform competition 8) Patents and patent policy 9) Standardization 10) Asymmetric information and financing innovation 11) Diffusion of new technologies 12) Basics of auction theory and application to online auctions 13) Reputation in online markets
<b>Teaching format</b>	Frontal lectures and exercises.

<b>Learning outcomes</b>	<p><u>Knowledge and understanding:</u>          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</p> <p><u>Applying knowledge and understanding:</u>          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</p>
--------------------------	---

	<p>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</p> <p><u>Making judgments:</u>        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.</p> <p><u>Communication skills:</u>        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.</p> <p><u>Learning skills:</u>        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.</p>
<p><b>Assessment</b></p>	<p>The assessment takes into consideration the combined acquisition of the learning outcome reached by the students in the two modules.</p>

	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
<b>Assessment language</b>	M1 English, M2 English
<b>Evaluation criteria and criteria for awarding marks</b>	<p>The final grade will be the arithmetic average of the grade in M1 and in M2.</p> <p>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%</p> <p>The final exam, will assess the following skills:</p> <p>Ability to understand the impact of firms' incentives in designing firms' competitive strategy (pricing, entry)</p> <p>Ability to understand incentives for firms to collaborate and to innovate in environments characterized by complementarities and network externalities</p> <p>Ability to understand both the private incentives and the welfare consequences of firms' strategies</p> <p>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</p> <p>Ability to identify, from the viewpoint of a manager, the innovation protection tools that best fit the different contexts, assessing their costs and benefits</p> <p>Ability to assess, within a policy-maker perspective, effectiveness and efficiency of the various industrial policy instruments for innovation.</p> <p>Ability to assess the role of institutions (private sector vs public sector) in promoting and supporting innovation</p> <p>Students are expected both to be able to solve formal economic models, and to discuss their implications.</p>
<b>Required readings</b>	<p>For M1+M2: Lynne Pepall, L., Richards, D., Norman, G., "Industrial Organization: Contemporary Theory and Empirical Applications", Wiley, 2014</p> <p>For M2: S. Comino, F. Manenti, "The Industrial Organisation of High-Technology Markets: The Internet and Information Technologies"</p>
<b>Supplementary readings</b>	Additional handouts will be distributed in class or on Reserve Collection. Slides will always be uploaded on Reserve Collection before class.