# Industrial Economics

## Syllabus

<table>
<thead>
<tr>
<th><strong>Course title</strong></th>
<th>Industrial Economics</th>
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<tbody>
<tr>
<td><strong>Course code</strong></td>
<td>27022</td>
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<tr>
<td><strong>Scientific sector</strong></td>
<td>SECS P/06</td>
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<tr>
<td><strong>Degree</strong></td>
<td>Bachelor in Economics and Management</td>
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<tr>
<td><strong>Semester and academic year</strong></td>
<td>1st semester 2020-2021</td>
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<tr>
<td><strong>Year</strong></td>
<td>3rd</td>
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<tr>
<td><strong>Credits</strong></td>
<td>6</td>
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<tr>
<td><strong>Modular</strong></td>
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<tr>
<td><strong>Total lecturing hours</strong></td>
<td>36</td>
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<tr>
<td><strong>Total lab hours</strong></td>
<td>-</td>
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<tr>
<td><strong>Total exercise hours</strong></td>
<td>12</td>
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<tr>
<td><strong>Attendance</strong></td>
<td>Suggested, but not required</td>
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| **Prerequisites** | **Basic knowledge of mathematics for economists.**  
**Basic knowledge of microeconomics.**  
| **Course page** | https://www.unibz.it/en/faculties/economics-management/academic-staff/person/12115-francisco-javier-santos-arteaga |

### Specific educational objectives

The course provides an in-depth discussion of key industrial economics concepts ranging from the foundations of market structure to theories of strategic interaction. Central theoretical concepts of modern industrial economics will be discussed and applied. Students will acquire

- a working-knowledge of the formal concepts and techniques such that important branches of the contemporary economics literature become accessible;
- the logical fundamentals and mathematical competences required to foresee applications to a variety of research areas.

The main educational objective is the acquisition of the basic knowledge and competences allowing students to analyze and discuss the theoretical mechanisms formalizing the relationships existing across firms and within industries.
Lecturer | Francisco Javier Santos Arteaga  
Scientific sector of the lecturer | SECS P/06  
Teaching language | English  
Office hours | Please refer to the lecturer’s web page  
Lecturing assistant | None  
List of topics covered | The set of topics covered in the course will include:  

**Intuition and Basic Concepts:**  
- Fundamentals of microeconomics: Consumers, Firms and Market Structure  
- Competition, Equilibrium and efficiency  

**Further Developments:**  
- Market failures and regulation  
- Price discrimination  

**Oligopoly:**  
- Games and Strategies  
- Oligopoly  

**Entry and Market Structure:**  
- Horizontal Mergers  
- Market Foreclosure  

**Non-Price Strategies:**  
- Vertical Relations  
- Product differentiation  
- Innovation and Networks  

Teaching format | Frontal lectures.  

- Students are advised to read the literature indicated in the description of the topics being covered as preparation for a session.  
- In particular, it will prove useful to try to anticipate those instances where it may be difficult to follow the presentation -- this is not an uncommon experience when exposed to theoretical literature.  
- Making a joint effort to overcome these difficulties is the main objective of the lectures, where key concepts from the literature are presented and discussed.  
- Special emphasis will be given to a thorough assessment of conceptual aspects and their potential applications.  

Learning outcomes | Knowledge and understanding: Knowledge and understanding of the basic principles of
market competition and price theory as well as the role played by distortions and market failures.

**Applying knowledge and understanding:**
Developing the ability to formalize economic environments building on the central theoretical concepts of modern industrial economic theory. In particular, students will develop the ability to:
- perform microeconomic analyses of cost structures and their role and importance in firm decisions;
- compare critically different theories of the firm;
- analyze the economic behaviour of firms through game theory.
- use the information available to understand the operative implications of competition and industrial policy theories.

**Making judgements:**
Ability to assess economic situations – particularly those determining the relationships among firms within an industry and the strategies that each firm can adopt –, relate them to concrete problems and provide policy recommendations.

**Communication skills:**
Capacity to present methodology and theory in a consistent way so as to engage in thorough discussions of key formal industrial economic concepts ranging from differences among market structures to theories of strategic interaction.

**Learning skills:**
Developing the learning skills required to continue studying at an advanced level after understanding the relationships existing between a formal concept and its related economic intuition.

**Assessment**
Grading will be based on a final exam requiring students to solve both exercises and open questions so as to evaluate the theoretical and practical knowledge acquired throughout the course.

**Assessment language**
English

**Evaluation criteria and criteria for awarding marks**
Clarity of answers and problem solving capacity.

**Required readings**

**Supplementary readings**
- Tirole, J., The Theory of Industrial Organization. MIT
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<tbody>
<tr>
<td><strong>Microeconomic Theory</strong></td>
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<td><strong>Game Theory</strong></td>
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