Freie Universität Bozen
Libera Università di Bolzano
Università Liedia de Bulsan

Industrial Economics
Syllabus

Course title	Industrial Economics
Course code	27022
Scientific sector	SECS P/06
Degree	Bachelor in Economics and Management
Semester and academic year	1st semester 2020-2021
Year	3rd
Credits	6
Modular	No

Total lecturing hours	36
Total lab hours	-
Total exercise hours	12
Attendance	Suggested, but not required
Prerequisites	**Basic knowledge of mathematics for economists.** Standard mathematical concepts can be found in: Knut Sydsaeter and Peter J. Hammond, Mathematics for Economic Analysis. First edition, Pearson, 1995. **Basic knowledge of microeconomics.** Standard microeconomic concepts can be found in: Varian, H., Intermediate Microeconomics. A Modern Approach. Ninth edition, WW Norton & Co., 2014.
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 fsantosarteaga@unibz.it
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, Equlibrium 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	Cabral, L.M.B., Introduction to Industrial Organization. Second edition, MIT Press, 2017.
Supplementary readings	**Industrial Organization** - Belleflamme, P., Peitz, M., Industrial Organization. Markets and Strategies. Second edition, Cambridge University Press, 2015. - Tirole, J., The Theory of Industrial Organization. MIT

	Press, 1988. **Microeconomic Theory** - Varian, H., Microeconomic Analysis, Third Edition, WW Norton & Co., 1992. - Kreps, D., A Course in Microeconomic Theory. Princeton University Press, 1990. **Game Theory** - Osborne. M., An Introduction to Game Theory, First Edition, Oxford University Press, 2003. - Binmore, K., Fun and Games: A Text on Game Theory, D C Heath & Co., 1991.