

Syllabus

Course description

Course title	Economics for Management
Course code	25558 (for students enrolled before 2022: 27234)
Scientific sector	SECS-P/01 module 1 (Business Economics) SECS-P/06 module 2 (Innovation Economics)
Degree	LM 77 – Master in Entrepreneurship and Innovation
Semester and academic year	module 1 - 1 st semester, module 2 - 2 nd semester ay 2023-24
Year	1 st study year
Credits	12
Modular	Yes

Total lecturing hours	72
Total lab hours	-
Total exercise hours	-
Attendance	Suggested, but not required
Prerequisites	Knowledge of calculus and of the basics of optimization theory helps, but it is not a requirement.
Course page	Course Offering - enrolled from 2022 / Free University of Bozen-Bolzano (unibz.it)

Specific educational objectives	<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>
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Module 1	25558A – M1 Business Economics
Lecturer	Alessandro Fedele, alessandro.fedele@unibz.it Office: E205 Tel.: +39 0471 013 298 https://www.unibz.it/en/faculties/economics-management/academic-staff/person/32469-alessandro-fedele

Scientific sector of the lecturer	SECS-P/02
Teaching language	English
Lecturing assistant	None
Teaching assistant	None
Office hours	18
List of topics covered	<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"> 1) Industrial organization: what, how, and why 2) Market structure and market power 3) Monopolistic price discrimination: linear pricing; group pricing; nonlinear pricing 4) Monopolistic pricing in digital markets 5) Competition and differentiation: static games and Cournot competition; oligopolistic price competition and Hotelling competition; dynamic games and Stackelberg competition <p>REMARK: the above list could be subject to relatively minor changes to accommodate up-to-date interesting topics and debates</p>
Teaching format	Frontal lectures and exercises.

Module 2	25558B – M2 Innovation Economics
Lecturer	<p>Federico Boffa, Federico.Boffa@unibz.it, +39 0471 013278 Federico Boffa / Freie Universität Bozen (unibz.it)</p> <p>Levi Eugenio, eugenio.levi@unibz.it +39 0471 013525 Eugenio Levi / Free University of Bozen-Bolzano (unibz.it)</p>
Scientific sector of the lecturer	SECS-P/06
Teaching language	English
Office hours	18
Lecturing assistant	none
Teaching assistant	none

<p>List of topics covered</p>	<ol style="list-style-type: none"> 1) Introduction to economics of innovation: radical vs incremental innovation and incentives to innovate 2) Research and development: policies 3) Research and development: effects 4) Introduction to history of innovation 5) Complement products and network externalities 6) Net neutrality 7) Platform competition 8) Nurturing innovation – inventions, ideas and institutions 9) Patents and patent policy 10) Standardization 11) Asymmetric information and financing innovation 12) Diffusion of new technologies 13) Innovation and market dynamics 14) Artificial intelligence and innovation 15) Innovation in the pharmaceutical sector
<p>Teaching format</p>	<p>Frontal lectures, guest lectures, video contributions, in-class discussion</p>
<p>Learning outcomes</p>	<p><u>Knowledge and understanding:</u></p> <p>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</p> <p>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</p> <p>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>

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 read and understand scientific articles on the topic.

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	<p>The assessment takes into consideration the combined acquisition of the learning outcome reached by the students in the two modules.</p> <p>Over the course, students are expected to participate to class discussion based on topic assigned in advance. They are also given written final exam, project works, and oral presentations</p>
Assessment language	M1 English, M2 English
Evaluation criteria and criteria for awarding marks	<p>The final grade will be the arithmetic average of the grade in M1 and in M2. A minimum grade of 15 in both modules is required</p> <p>For M1 and M2: For attending students: individual written final exam test (at most 70%); course work (at least 30%). For not attending students: final exam 100%</p> <p>The final exam will assess the following skills:</p> <ul style="list-style-type: none"> 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 <p>Students are expected both to be able to solve formal economic models, and to discuss their implications.</p>
Required readings	<p>For M1 and 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>

Supplementary readings

Additional handouts will be distributed in class or on Reserve Collection. Slides will always be uploaded on Reserve Collection before class.