

Masaryk University – Brno

Department of Corporate Economy – Faculty of Economics and Administration

Lipová 507/41a, Pisárky, Brno

Industrial Economics

Syllabus - Fall Semester 2011

Instructor:	Georgi Burlakov
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Language of Instruction:	English
Teaching Schedule:	Each Monday, 12:50-16:15
Office Hours:	Monday, 12:00-12:50
Semester:	Fall 2011
Exam Period:	02.01.2012-10.02.2012

Course Description: The course presents key topics and applications of the Industrial Organization as a major field of the modern Microeconomics.

Learning Strategy: During the lectures students get familiar with unified methodology for rigorous analysis of market structures, strategic conflict and industrial development. It aims to help them describe, interpret and predict firms' competitive behavior and its business outcomes. In addition, the course also considers tools for normative analysis of the markets' social efficiency. Respectively, some of the topics include possible competition policy implications towards promotion of competition through market regulation and anti-trust action. To pass successfully, during the course students should develop and demonstrate ability to identify the key characteristics of a particular market situation, to relate it to one of the main standard models studied in class and to apply that model to find the correct market equilibrium solution according to the theory.

Prerequisites: Calculus, Microeconomics I

Grading: The overall course grade will be computed by converting into a grade-point score the total number of points gained from participation in class (10%), doing two homework assignments (10%), midterm (30%) written exam and final (50%) written exam.

Teaching Strategy: The course is taught in English and is set on specialized foreign literature sources which might not be generally available in the university bookstore or library. However, students are not required to use the original textbooks to prepare for the course. Instead, after each lecture they will be provided with handouts and slide presentations containing all the basic knowledge which needs to be mastered for successful performance on the homework assignments and the exam.

1. Course Outline:

Week	Hours	Topic
Lecture 1	1.5	1.1. The Firm and Costs (Carlton&Perloff, Ch. 2)
Tutorial Session 1	1.5	1.2. Economic Application: The Baking Industry
Lecture 2	1.5	2.1. Competition (Carlton&Perloff, Ch. 3)
Tutorial Session 2	1.5	2.2. Economic Application: Food Fights, Congestion
Lecture 3	1.5	3.1 Monopoly (Carlton&Perloff, Ch. 4)
Tutorial Session 3	1.5	3.2. Economic Application: Monopoly Newspaper Ad Prices
Lecture 4	1.5	4.1. Dominant Firm with a Competitive Fringe (Carlton&Perloff, Ch. 4)
Tutorial Session 4	1.5	4.2. Economic Application: Price Rigidity with Dominant Firms
Lecture 5	1.5	5.1. Cartels (Carlton&Perloff, Ch. 5)
Tutorial Session 5	1.5	5.2. Economic Application: Car Wars
Lecture 6	1.5	6.1. Non-cooperative Markets (Carlton&Perloff, Ch. 6)
Tutorial Session 6	1.5	6.2. Economic Application: Copying Pricing
Lecture 7	1.5	7.1. Monopolistic Competition: Product Differentiation (Carlton&Perloff, Ch. 7)
Tutorial Session 7	1.5	7.2. Economic Application: The Jeans Market
Lecture 8	1.5	8.1. Information, Advertising and Disclosure (Carlton&Perloff, Ch. 13, 14)
Tutorial Session 8	1.5	8.2. Economic Application: Predatory Pricing in Tobacco; Branding as Advertising
Lecture 9	1.5	9.1. Strategic Behavior (Carlton&Perloff, Ch. 11)
Tutorial Session 9	1.5	9.2. Economic Application: Predatory Pricing in Tobacco
Lecture 10	1.5	10.1. Research and Development (Carlton&Perloff, Ch. 16)
Tutorial Session 10	1.5	10.2. Economic Application: European Patents; International Licenses
Lecture 11	1.5	11.1. Pricing Tactics (Carlton&Perloff, Ch. 9, 10)
Tutorial Session 11	1.5	11.2. Economic Application: Football Tariffs
Lecture 12	1.5	12.1. Antitrust Laws: Mergers and Entry Barriers (Carlton&Perloff, Ch. 12, 19)
Tutorial session 12	1.5	12.2. Economic Application: Colleges and Antitrust
Lecture 13	1.5	13.1. Regulation and Deregulation (Carlton&Perloff, Ch. 20)
Tutorial session 13	1.5	13.2. Economic Application: Deregulating Electricity

Literature:

1. Carlton, D.W. and J.M. Perloff, Modern Industrial Organization, Addison Wesley Longman, 2000.