

Masaryk University – Brno

Department of Corporate Economy – Faculty of Economics and Administration

Lipová 507/41a, Pisárky, Brno

Industrial Economics

Syllabus - Fall Semester 2012

Instructor:	Georgi Burlakov
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Language of Instruction:	English
Teaching Schedule:	Each Wednesday, 15:30-18:45
Office Hours:	Wednesday, 14:30-15:00
Semester:	Fall 2012 (19.09. – 12.12.2012)
Exam Period:	02.01.2012-13.02.2013

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

Learning Strategy: During the lectures students become acquainted with unified methodology for rigorous analysis of market structures, strategic conflict and industrial development. The course aims to help them describe, interpret and predict the competitive behavior of firms 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 relating to promotion of competition through market regulation and anti-trust actions. To pass successfully, students should develop ability to identify the key characteristics of a particular market situation, to relate these 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 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 into a grade-point score.

Teaching Strategy: The course is taught in English and is based 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.

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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. Cost Concepts for Multiproduct Firm
Lecture 2	1.5	2.1. Competition (Carlton&Perloff, Ch. 3)
Tutorial Session 2	1.5	2.2. Long-run Equilibrium in a Competitive Market with High- and Low-cost Firms
Lecture 3	1.5	3.1 Monopoly (Carlton&Perloff, Ch. 4)
Tutorial Session 3	1.5	3.2. Monopsony, Comparison between Perfect Competition and Monopoly Equilibria
Lecture 4	1.5	4.1. Dominant Firm with a Competitive Fringe (Carlton&Perloff, Ch. 4)
Tutorial Session 4	1.5	4.2. Price Rigidity with Dominant Firms
Lecture 5	1.5	5.1. Cartels (Carlton&Perloff, Ch. 5)
Tutorial Session 5	1.5	5.2. Equilibrium outcome with non-cartel firms + HW1 due (17.10., 5:10 p.m. in class)
Lecture 6	1.5	6.1. Non-cooperative Markets (Carlton&Perloff, Ch. 6)
Tutorial Session 6	1.5	6.2. Cournot and Stackelberg equilibria
Lecture 7	1.5	7.1. Monopolistic Competition: Product Differentiation (Carlton&Perloff, Ch. 7)
Tutorial Session 7	1.5	7.2. Midterm Exam (31.10., 3:30 p.m.)
Lecture 8	1.5	8.1. Information, Advertising and Disclosure (Carlton&Perloff, Ch. 13, 14)
Tutorial Session 8	1.5	8.2. Salop Circular Location Model
Lecture 9	1.5	9.1. Strategic Behavior (Carlton&Perloff, Ch. 11)
Tutorial Session 9	1.5	9.2. Information Asymmetry: Tourists & Natives Model
Lecture 10	1.5	10.1. Research and Development (Carlton&Perloff, Ch. 16)
Tutorial Session 10	1.5	10.2. Price Discrimination + HW2 due (21.11., 5:10 p.m. in class)
Lecture 11	1.5	11.1. Pricing Tactics (Carlton&Perloff, Ch. 9, 10)
Tutorial Session 11	1.5	11.2. Predatory Pricing
Lecture 12	1.5	12.1. Antitrust Laws: Mergers and Entry Barriers (Carlton&Perloff, Ch. 12, 19)
Tutorial session 12	1.5	12.2. (Preliminary) Final Exam 1 (05.12., 3:30 p.m.)
Lecture 13	1.5	13.1. Regulation and Deregulation (Carlton&Perloff, Ch. 20)
Tutorial session 13	1.5	13.2. (Preliminary) Final Exam 2 (12.12., 3:30 p.m.)

* Both lectures and tutorial sessions take place in room S7.

Literature:

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