

5.0 credits

30.0 h

Teacher(s) :	Parenti Mathieu ;
Language :	Anglais
Place of the course	Louvain-la-Neuve
Prerequisites :	An advanced course in Microeconomics. An introductory course in Industrial Organization
Main themes :	Market power Sources of market power Pricing strategies and market segmentation Product quality and information Theory of competition policy R& mp;D and intellectual property Network, standards and systems Market intermediation
Aims :	In terms of knowledge, students should be able at the end of the course to (i) understand how and why oligopolistic firms manage to set equilibrium prices above marginal costs, (ii) analyze asymmetric information problems, in which firms choose their marketing strategy to inform consumers about product quality, (iii) address competition policy issues (cartels, collusion, mergers, exclusionary conduct), (iv) understand strategies and policies related to innovation and intellectual property, (v) analyze topical issues pertaining to network and platform markets. In terms of skills, students should be able at the end of the course to (vi) read and discuss recent contributions to the theoretical and empirical literature in industrial organization. <i>The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".</i>
Evaluation methods :	The final grade in this course will be based on grades for problem sets and article presentation (40%) and a final exam (60%).
Teaching methods :	Teaching is by combination of lectures and individual and/or group assignments (problem solving and article presentations). Lectures are given by the professor and are two hours long. There will be 13 lectures. Reading assignments are set during lectures to help students read around the subjects in their own time. Problem sets are also assigned to help students applying the concepts and understanding the methods. Finally, students will be asked (individually or in group, according to the size of the class) to present and discuss a recent paper.
Content :	Industrial organization is the study of firms and markets. It focuses on firm behavior in imperfectly competitive markets, which are characterized by strategic interaction among firms. The course aims at understanding how firms acquire and use market power, how they make their strategic decisions about a large array of variables (prices, capacities, product positioning, R& mp;D, mergers and acquisitions, '), how the combination of these decisions affect consumers and the performance of the markets. The course also aims at shedding light on government policies, in particular with respect to competition (but also to innovation, to compatibility, to product quality, '). From a methodological point of view, the course aims at analyzing the modeling techniques that are used to address these issues.
Bibliography :	The main textbook for the course is Belleflamme, P. and Peitz, M. (2010), Industrial Organization: Markets and Strategies. Cambridge: Cambridge University Press. Another useful textbook is Tirole, J. (1988), The Theory of Industrial Organization. Cambridge (MA): MIT Press
Cycle and year of study :	> Master [120] in Economics: Econometrics > Master [120] in Economics: General
Faculty or entity in charge:	ECON