UCLouvain	lecon2610 *2018*	Industrial Organization

5 credits	30.0 h	Q2

Teacher(s)	Johnen Johannes ;
Language :	English
Place of the course	Louvain-la-Neuve
Main themes	Market power Sources of market power Pricing strategies and market segmentation Product quality and information Theory of competition policy R&D and intellectual property Network, standards and systems Market intermediation
Aims	1 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. - - - - *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".*
Evaluation methods	The final grade depends in equal parts on i) participation in class, ii) the students' presentation of a research paper, and iii) the research proposal.
Teaching methods	For each week, the students have to read research papers that we will discuss in class. This enables lively interaction and a critical discussion of these papers. At the end of the class, the students have to present research papers themselves, which they can choose from a reading list. Students may also propose papers to present themselves. We will mostly focus on papers that use theoretical models, but we will also discuss empirical work. The goal of the class is to inspire research questions. To encourage students to develop research questions, the student will submit a research proposal in which they develop a research question, motivate why it is interesting and fills a gap in the Literature, discuss the methods they would use to approach this question, and explain expected results.
Content	The goal of the class is to introduce students to current research topics in industrial organization, to make students read and discuss research papers, and to help students to develop research questions. We will start with some basic topics but will move quickly to topics in which a lot of research is going on these days, and which are highly relevant to understand our modern complex and digital economy. I plan to cover the following topics. The focus can be adjusted based on student interests. 1. Product Differentiation (2 weeks) 2. Price Discrimination and Targeted Pricing (2 weeks) 3. Platforms and Two-Sided Markets (2 weeks) 4. Consumer Search (1-2 weeks) 5. Behavioral IO aka Psychology and IO (3-4 weeks) 1. We will discuss the role of consumer mistakes and more realistic, psychology-based, models of human behavior for market performance and competition. Does competition induce firms to mitigate, or to exploit consumer mistakes? How can regulation help to mitigate exploitation of consumer mistakes? What is the role of big data and targeted pricing when consumers mispredict their own future behavior?

	6. Switching Costs (if time permits; 1 week) 7. Student Presentations (1-2 weeks)
Inline resources	Available on Moodle: https://moodleucl.uclouvain.be/
Bibliography	A reading list will be made available at the beginning of the course.
Other infos	The language of the class is English.
Faculty or entity in charge	ECON

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Aims
Master [120] in Economics: Econometrics	ETRI2M	5		🔍
Master [120] in Economics: General	ECON2M	5		🔍