




Teacher(s)	Belleflamme Paul ;
Language :	English
Place of the course	Louvain-la-Neuve
Prerequisites	<i>The prerequisite(s) for this Teaching Unit (Unité d'enseignement – UE) for the programmes/courses that offer this Teaching Unit are specified at the end of this sheet.</i>
Main themes	Industrial organization is the study of firms and markets. It focuses on firm behavior in imperfectly competitive markets. Such markets appear to be far more common than the perfectly competitive markets that were the focus of your basic microeconomics course. Imperfectly competitive markets are characterized by strategic interaction among firms: firms' profits depend on the combination of the decisions taken by all firms on the market. Therefore, firms must take this interdependence into account when they make their decisions. In such contexts, we want to understand how firms acquire and use market power. We also want to shed light on government competition policy. This subject will be approached from both theoretical and applied perspectives.
Learning outcomes	<p>At the end of this learning unit, the student is able to :</p> <p>1 At the end of the course, students should (i) have a deep knowledge of the basic models of oligopoly theory, (ii) understand how or why oligopolistic firms manage to exert market power, (iii) understand how governments design and apply competition policy, (iv) apply all these concepts to real-life situations.</p>
Evaluation methods	The assessment of this course is based on a final exam, which covers the entirety of the course. It is organized in the January and August exam sessions. It aims at testing the student's knowledge of the main concepts and their ability to apply these concepts through (i) the solution of numerical problems and (ii) the discussion of a real-life case study.
Teaching methods	<i>Teaching</i> is done through a mix of lectures (2 hours every week) and tutorials (in small groups; 1 hour every other week).
Content	<p>Course description</p> <p>Industrial organization is the study of firms and markets. It focuses on firms' behavior in imperfectly competitive markets. Such markets appear to be far more common than the perfectly competitive markets that were the focus of your basic microeconomics course. Imperfectly competitive markets are characterized by strategic interaction among firms: firms' profits depend on the combination of the decisions taken by all firms on the market. Therefore, firms must take this interdependence into account when they make their decisions. In such contexts, we want to understand how firms acquire and use market power. We also want to shed light on government competition policy. This subject will be approached from both theoretical and applied perspectives.</p> <p>Learning objectives/outcomes</p> <p>At the end of the course, students should</p> <ul style="list-style-type: none"> • have a deep knowledge of the basic models of oligopoly theory, • understand how or why oligopolistic firms manage to exert market power, • understand how governments design and apply competition policy, • be able to apply all these concepts to real-life situations.
Inline resources	A Moodle website is dedicated to the course. The slides, most of the readings, and supplementary material are made available on the site. The site is also used to send course related information.
Bibliography	<p>The course will rely heavily on the required textbook by Paul Belleflamme and Martin Peitz, Industrial Organization: Markets and Strategies (Cambridge: Cambridge University Press, 2015; 1st edition, 2010).</p> <p>Occasional additional readings (typically news articles) may be posted on the Moodle website.</p> <p>Students are encouraged to scan the business sections of magazines and newspapers such as The Economist, Wall Street Journal, and Financial Times for articles relevant to the topics covered in the course.</p>
Other infos	It is assumed that the student has taken 'ECGE1222 - Microéconomie' (or equivalent). The student should be comfortable with applying calculus and should have a rudimentary knowledge of game theory, as is introduced in 'ECGE1222 - Microéconomie' or as is further covered in 'ECGE1333 - Théorie des jeux et économie de l'information'. For those who have not taken a course in game theory, we will have a review of important concepts as well as one class dedicated to solving game theory problems.

Faculty or entity in charge	ESPO
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Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Learning outcomes
Additionnal module in Mathematics	APPMATH	5		
Minor in Economics	MINECON	5		
Bachelor in Economics and Management	ECGE1BA	5	LANGL1330 AND LECGE1112	
Bachelor : Business Engineering	INGE1BA	5	LANGL1330 AND LINGE1114	