




5.00 credits

30.0 h

Q1

|                     |   |
|---------------------|---|
| Teacher(s)          | Johnen Johannes ;   |
| Language :          | English   |
| Place of the course | Louvain-la-Neuve  |
| Prerequisites       | An advanced course in Microeconomics.<br>An introductory course in Industrial Organization  |
| Main themes         | Market power<br>Sources of market power<br>Pricing strategies and market segmentation<br>Product quality and information<br>Theory of competition policy<br>R&D and intellectual property<br>Network, standards and systems<br>Market intermediation  |
| Learning outcomes   | <p><b>At the end of this learning unit, the student is able to :</b></p> <p>In terms of knowledge, students should be able at the end of the course to</p> <ul style="list-style-type: none"> <li>(i) understand how and why oligopolistic firms manage to set equilibrium prices above marginal costs,</li> <li>(ii) analyze asymmetric information problems, in which firms choose their marketing strategy to inform consumers about product quality,</li> <li>(iii) address competition policy issues (cartels, collusion, mergers, exclusionary conduct),</li> <li>1 (iv) understand strategies and policies related to innovation and intellectual property,</li> <li>(v) analyze topical issues pertaining to network and platform markets.</li> </ul> <p>In terms of skills, students should be able at the end of the course to</p> <ul style="list-style-type: none"> <li>(vi) read and discuss recent contributions to the theoretical and empirical literature in industrial organization.</li> </ul> |
| Evaluation methods  | <p>The final grade depends on i) participation in class (10%), ii) the students' presentation of a research paper (40%), and iii) the research proposal (50%).</p> <p>The evaluation will also be based on these three elements if we have to move the course online to TEAMS.</p>  |
| Teaching methods    | <p>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 can also propose papers to present.</p> <p>We will mostly focus on papers that use theoretical models, but we will also discuss empirical work.</p> <p>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.</p> <p>The teaching will start in the second week of the first term (Q1) in class room. Depending on the health situation, we will move to online teaching via TEAMS.</p>    |
| Content             | <p>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 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.</p> <p>I plan to cover the following topics. The focus can be adjusted based on student interests.</p>   |

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|------------------------------------|--|
|                                    | <p>1. Behavioral Economics and Industrial Organization(5-6 weeks)</p> <ul style="list-style-type: none"> <li>• 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?</li> </ul> <p>2. Price Discrimination and Targeted Pricing (2 weeks)</p> <p>3. Platforms and Two-Sided Markets (2 weeks)</p> <p>4. Consumer Search (1-2 weeks)</p> <p>5. Student Presentations (1-2 weeks)</p> |
| <p>Inline resources</p>            | <p>Available on Moodle: <a href="https://moodleucl.uclouvain.be/">https://moodleucl.uclouvain.be/</a></p>  |
| <p>Bibliography</p>                | <p>A reading list will be made available at the beginning of the course.</p>   |
| <p>Other infos</p>                 | <p>The language of the class is English.<br/>The course starts in the second week of the term.</p>   |
| <p>Faculty or entity in charge</p> | <p>ECON</p>  |

| <b>Programmes containing this learning unit (UE)</b> |                         |         |              |   |
|--|-------------------------|---------|--------------|---|
| Program title  | Acronym                 | Credits | Prerequisite | Learning outcomes   |
| Master [120] in Economics:<br>Econometrics           | <a href="#">ETRI2M</a>  | 5       |              |  |
| Master [60] in Economics :<br>General                | <a href="#">ECON2M1</a> | 5       |              |  |
| Master [120] in Economics:<br>General                | <a href="#">ECON2M</a>  | 5       |              |  |