

## Faculty of Economic, Social and Political Sciences



### IAG3930 Economie industrielle et management

[30h+0h exercises]

**Teacher(s):** Paul Belleflamme, Régis Coeurderoy  
**Language:** French  
**Level:** Third cycle

#### Aims

At the end of the class, students should be able to

- Understand the main economic theories of the firm
- Understand their integration within the field of management science

#### Main themes

This course will review the main economic theories that explain the existence of firms as specific institutions. The course includes (1) theories based upon the transaction cost approach and (2) theories based upon the competence-based approach. Emphasis will be put on how these theories explain the determinants of the size and scope of firms, or, in other words, on the main reasons why coordination of activities within a firm is preferred to coordination on a market. Applications of these theories in managerial literature will be explored.

#### Content and teaching methods

##### II.1. Content

The emphasis will be on a rigorous modelling of the phenomena studied that will be based on recent theoretical developments drawn, for example, from games theory, agency theory, economic theory contracts, and the economic analysis of agreements. In practice, these developments may serve as unifying paradigms for a microeconomic modelling both of the enterprise's internal organisation and of its behaviour on the markets. These recent contributions should provide a reference framework for an economic analysis of a range of questions such as those relating to the motivation and pay of members of a hierarchised organisation, the coordination of decisions in organisations, the financial structure and control of companies, and the vertical integration of enterprises. They should also make it possible to analyse the strategic behaviour of enterprises in areas such as the choice of products, market segmentation, and research and development.

##### II.2. Methodology

This course is fitted into two weeks. The subjects covered will be addressed with the necessary rigour, but without unnecessary formalisation (for example, see the manual of Milgrom and Roberts below), as that sort of formalisation can be developed in courses followed as part of specialist study.

#### Other information (prerequisite, evaluation (assessment methods), course materials recommended readings, ...)

Prerequisite : Master degree in management science or economics

Pedagogic team: Teachers