

Masaryk University – Brno
Department of Corporate Economy – Faculty of Economics and Administration
Lipová 507/41a, Pisárky, Brno

Industrial Economics

Syllabus – Fall Semester 2013

Instructor:	Sherzod Tashpulatov
E-mail:	stashpul@cerge-ei.cz
Language of Instruction:	English
Lectures:	Room S4, Mondays, 7:40–9:15
Seminars:	Room S3, Mondays, 11:05–12:45
Office Hours:	Mondays, 9:30–11:00
Semester:	Fall 2013 (16.09.2013–13.12.2013)
Exam Period:	02.01.2014–14.02.2014

Course Description: The course presents key topics and applications of Industrial Organization as a major field of modern Microeconomics.

Learning Strategy: During the lectures students become acquainted with unified methodology for rigorous analysis of market structures, strategic conflict, and industrial development. The course aims to help students describe, interpret and predict the competitive behavior of a firm and its business outcomes. In addition, the course also considers tools for normative analysis of the markets' social efficiency. Respectively, some of the topics include possible competition policy implications relating to promotion of competition through market regulation and anti-trust actions. In order to pass the course successfully, students should develop ability to identify the key characteristics of a particular market situation, to relate these to one of the main standard models studied in class and to apply that model in finding the correct market equilibrium solution according to the theory.

Prerequisites: Calculus, Microeconomics I

Grading: The overall course grade is based on two quizzes (5% for each quiz), class participation (10%), four homework assignments (5% for each homework assignment), midterm exam (20%), and final exam (40%).

Teaching Strategy: The course is taught in English and is based on specialized foreign literature sources which might not be generally available in the university bookstore or library. However, students are not required to use the original textbooks to prepare for the course. Instead, before each lecture students will receive printed out presentations slides on which they can write further additional notes. In order to understand and master the course, it is necessary to actively attend lectures, tutorial sessions, and solve homework assignments.

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1. Course Outline:

Week	Topic
Lecture 1	1.1. The Firm and Costs (Carlton&Perloff, Ch. 2)
Tutorial Session 1	1.2. Cost Concepts for Multiproduct Firm
Lecture 2	2.1. Competition (Carlton&Perloff, Ch. 3)
Tutorial Session 2	2.2. Long-run Equilibrium in a Competitive Market with High- and Low-cost Firms
Lecture 3	3.1 Monopoly (Carlton&Perloff, Ch. 4)
Tutorial Session 3	3.2. Monopsony, Comparison between Perfect Competition and Monopoly Equilibria
Lecture 4	4.1. Dominant Firm with a Competitive Fringe (Carlton&Perloff, Ch. 4)
Tutorial Session 4	4.2. Price Rigidity with Dominant Firms
Lecture 5	5.1. Cartels (Carlton&Perloff, Ch. 5)
Tutorial Session 5	5.2. Equilibrium outcome with non-cartel firms
Lecture 6	6.1. Non-cooperative Markets (Carlton&Perloff, Ch. 6)
Tutorial Session 6	6.2. Cournot and Stackelberg equilibria
Lecture 7	7.1. Monopolistic Competition: Product Differentiation (Carlton&Perloff, Ch. 7)
Tutorial Session 7	7.2. Midterm Exam
Lecture 8	8.1. Information, Advertising and Disclosure (Carlton&Perloff, Ch. 13, 14)
Tutorial Session 8	8.2. Salop Circular Location Model
Lecture 9	9.1. Strategic Behavior (Carlton&Perloff, Ch. 11)
Tutorial Session 9	9.2. Information Asymmetry: Tourists & Natives Model
Lecture 10	10.1. Research and Development (Carlton&Perloff, Ch. 16)
Tutorial Session 10	10.2. Price Discrimination
Lecture 11	11.1. Pricing Tactics (Carlton&Perloff, Ch. 9, 10)
Tutorial Session 11	11.2. Predatory Pricing
Lecture 12	12.1. Vertical Integration and Restrictions (Carlton&Perloff, Ch. 12)
Tutorial session 12	12.2. Antitrust Laws: Mergers and Entry Barriers (Carlton&Perloff, Ch. 19)
Lecture 13	13.1. Regulation and Deregulation (Carlton&Perloff, Ch. 20)
Tutorial session 13	13.2. (Preliminary) Final Exam

Literature:

1. Carlton, D.W. and J.M. Perloff, Modern Industrial Organization, Addison Wesley Longman, 2000.