Faculty of Economics and Business Administration

COURSE (MODULE) DESCRIPTION

Course title	Code
Industrial Organization	

Staff	Department
Coordinator: Dr Vaiva Petrikaitė **Other(s):**	Faculty of Economics and Business Administration

Study cycle	Course type
First (Bachelor's)	Optional

Form of implementation	Period of implementation	Language of instruction
Face-to-face	6 semester	English

Requirements for students	
Prerequisites: Economic Principles I Economic Theory I Mathematical Methods	**Additional requirements (if any):** Students should be familiar with basic econometric analysis aspects such as OLS, endogeneity and causality problems.

Number of ECTS credits	Student's workload	Contact hours	Individual work
5	130	36	94

Purpose of the course and competences developed		
The course covers several imperfect market competition models and reviews the sources or market power. The course aims to teach students to apply basic Industrial Organization modelling techniques necessary to solve real life-related economic problems and provide relevant economic policy recommendations.		
Learning outcomes	**Teaching methods**	**Assessment methods**
1.1 Have acquired knowledge about the sources of market power and its impact on market outcomes.	Problem-based teaching, application of theoretical and empirical methods in solving imperfect competition market problems.	Independent solving of economic problems during the midterm test, final exam and doing homework assignments in groups, reading academic literature.
2.1 Understand the relation between the assumptions and the conclusions of market models.		
3.1 Have developed basic skills to use game-theory based economic analysis methods.		
3.2 Know how to interpret theoretical and empirical models while analysing competition policy problems.		

Course themes	Contact / Individual work: time and assignments								
	Lectures	Tutorials	Seminars	Practical classes	Laboratory work	Practice	Contact hours	Individual work	Assignments due date
Course introduction and review of topics	1						1	0	
Main imperfect competition models: Cournot, Bertrand and Stackelberg competition. Market entry	4						4	15	
Collusion, cartel detection and leniency programmes	3		2				5	12	Problem set, reading academic literature.
Horizontal integration	3		2				6	15	Problem set, reading academic literature.
Product differentiation: location models, random utility model	3		2				6	15	Problem set, reading academic literature.
Consumer search and switching costs. Other consumer inertia questions	4		2				6	15	Problem set, reading academic literature.
Price discrimination, product bundles, menu pricing	4		2				4	11	Problem set, reading academic literature.
Advertising effects in pricing and quantity-setting games	2		2				4	11	Problem set, reading academic literature.
Total	**24**	**0**	**12**	**0**	**0**	**0**	**36**	**94**	

Assessment strategy	Share in %	Time of assessment	Assessment criteria
Mid-term test	40	In the middle of the semester	Ability to apply up to the test date learned analysis methods in determining market outcomes and providing economic policy recommendations.
Final exam	50	At the end of the semester	Ability to apply during the course learned analysis methods in determining market outcomes and providing economic policy recommendations.
Homework assignments	10	During the session	Solving the assigned problem sets correctly.

Author	Published in	Title	Issue No. or Volume	Publishing house or Internet site
Required reading				
Church J. & R. Ware	2000	Industrial Organization: A Strategic Approach		McGraw-Hill
Belleflamme, P., & Peitz, M.	2010, 2015	Industrial Organization: Markets and Strategies		Cambridge University Press.
Recommended reading				
The instructor might provide recommendations for additional reading during the course.				