Topics in industrial organization

Academic Year: (2023 / 2024) **Review date: 27-01-2024**

Department assigned to the subject: Economics Department

Coordinating teacher: SIOTIS , GEORGIOS

Type: Electives ECTS Credits : 6.0

Year : Semester :

REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)

Since this class is primarily empirical, it is recommended to have a good basis in Applied Economics and Industrial Organisation.

OBJECTIVES

This course has a double objective:
- Acquire an advanced knowledge of Industrial Organisation.
- Develop the skills to analyse specific markets and industries.

The theoretical tools that the student will master will be useful for his/her future professional life as well as advanced studies:

- Understand the characteristics of several industries. Identify the key issues in these industries and understand how the economic concepts taught in class help address these issues.

- Master the tools to analyse the main features of an industry.

- Improve the student's analytical skills.

- Improve the student's drafting and communication skills.

DESCRIPTION OF CONTENTS: PROGRAMME

This is an advanced class on industrial organization in which several topics with practical examples will be presented.

The objective of the course is to provide students with adequate instruments for the analysis of a series of industries that are of particulalr importance in economic life. In addition, the application of public policies special that affect how market function (competition rules, sttate aid) will be presented. Specific examples will be discussed with the purpose of facilitating understanding and showing the conceptual analysis' potential.

Programme:

* Introduction: tools to evaluate market power, price discrimination, multiproduct firms
* Abuse of dominance: general principles
* FRAND: fair, reasonable and non-discriminatory pricing for essential inputs
* Rebates by a dominant firm: exclusionary abuse (foreclosure)
* Predation
* Exclusion through raising rivals¿ costs, margin squeeze
* Empirical analysis of mergers
* Competitive interaction and competition infringements in the pharmaceutical industry
* Competitive interaction in the civilian aircraft industry
* State aid rules: general principles
* Economic analysis of state aid: the Market Economy Investor Principle (MEIP)

LEARNING ACTIVITIES AND METHODOLOGY

There will be three main components of the class:

a. Lectures presenting the conceptual analysis

b. Interactive discussion on the material presented during the lecture

c. Students´ presentations.

d. Resolution of exrcises

Acquisition of abilities and skills trhough problems solving, practical exercises and discussion.

ASSESSMENT SYSTEM

The continuous assessment will consist of:
- A student presentation (40%)
- Two mid-term exams (25% each)
- Grading of exercise sets and class participation (10%)

Students who complete the course's workload may skip the final examination and have their final grade based solely on the course's continuous assessment.

Completing the course's workload means obtaining an overall average in two midterm exams of four out of ten. All grades will range between 0 and 10. Exercise sets not submitted and exams not attended will be graded with zero. The final grade will then result from the weighted average of all evaluations, the weights being the ones defined above.

For students who opt to take the final exam, the grade will consist of the grade obtained in the final exam (60%) and the continuous evaluation (40%).

% end-of-term-examination:	0
% of continuous assessment (assigments, laboratory, practicals…):	100

BASIC BIBLIOGRAPHY

- Cabral, L., "Economía Industrial", McGraw-Hill, 1997
- Cabral, L., "Introduction to Industrial Organization", http://luiscabral.net/economics/books/iio2/, 2000
- Martin, S., "Industrial Organization. A European Perspective", Oxford University Press, 2001
- Motta, M., "Competition Policy", Cambridge University Press, 2004
- Tirole, J., "The Theory Of Industrial Organization", MIT Press, 1988

BASIC ELECTRONIC RESOURCES

- Comisión Nacional de los Mercados y Competencia . Comisión Nacional de los Mercados y Competencia: http://www.cnmc.es/
- European Commission . DG COMP: http://ec.europa.eu/competition/