

Topics in Industrial Organization

Instructors

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Course Description

Using standard and more advanced tools from microeconomics and noncooperative game theory, industrial organization aims to understand the various dimensions of industrial market structure and to study how these affect firm conduct and economic performance. This course covers the strategic behavior of firms and analyzes sources and consequences of market power.

Course Outline (preliminary)

1. Introduction

2. Monopoly

- Pricing, Rent Seeking, etc.
- Price Discrimination
- Choice of Product Quality, Advertising
- X-Efficiency

3. Oligopoly Model

- Bertrand, Cournot, Stackelberg
- Capacity Utilization
- Conjectural Variation
- Concentration

4. Collusion

5. Vertical Relations

- Intra- and Interbrand Competition
- Vertical Restraints
- Bargaining
- Buyer Power

6. Applications

- **Vertical Control**
- **Market Power**

7. Entry and Exit

- Contestable Markets
- Sunk costs
- Strategic Investment

8. Research and Development, Adoption

- Patent Races
- Patent Protection
- Adoption and Diffusion
- Licensing

Teaching Methods

Lectures (50%), exercises and group work (50%)

Grading

To be specified

Credit points

To be specified

Requirements

Econometrics (master level), Microeconomics (master level)

Organization and time

The course will be organized as a one-week bloc module. It will be held preferably in Autumn starting in 2009.

Language

English or German

Note

Course description and course outline are preliminary to the extent that they are based on the assumption that some specific topics will be covered by guest instructors.