

<b>Module title</b>		<b>Abbreviation</b>
Strategic Decisions and Competition		12-M-SDC-182-m01
<b>Module coordinator</b>		<b>Module offered by</b>
Holder of the Chair of Industrial Economics		Faculty of Business Management and Economics
<b>ECTS</b>	<b>Method of grading</b>	<b>Only after succ. compl. of module(s)</b>
5	numerical grade	--
<b>Duration</b>	<b>Module level</b>	<b>Other prerequisites</b>
1 semester	graduate	--
<b>Contents</b>		
<p>1. Strategic situations and decision making</p> <p>2. Analyzing strategic situations with game theory</p> <p>1. Noncooperative simultaneous move games</p> <p>2. Nash equilibrium</p> <p>3. Models of oligopoly markets</p> <p>3. Dynamic Games</p> <p>1. Two(-multi) stage games and subgame perfect equilibrium</p> <p>2. Role of commitment in dynamic situations</p> <p>3. Models of advertising</p> <p>4. Wage bargaining and unions</p> <p>4. Repeated Games</p> <p>1. Emergence of coordination in long interactions</p> <p>2. Collusion between competing firms</p> <p>3. Time consistent monetary policy</p> <p>5. Static games of incomplete Information</p> <p>1. Bayesian Nash equilibrium</p> <p>2. Auctions</p> <p>6. Dynamic games of incomplete information</p> <p>1. Moral hazard and nonlinear pricing</p> <p>2. Perfect Bayesian equilibrium</p> <p>3. Signalling games</p> <p>4. Job-market signalling</p> <p>5. Corporate investment and capital structure</p>		
<b>Intended learning outcomes</b>		
<p>After successful completion of this class, the students should be familiar with economic models that can be used to shape managerial strategy and aid in making decisions in strategic situations. Especially, by making use of simple two stage games, they should be able to formulate dynamic policies in a wide variety of strategic situations. The students will acquire an intuitive understanding of the underlying economic mechanisms which emerge from the analysis of game theoretic models for a wide variety of strategic situations arising in industrial economics, marketing, organization, finance, trade and labor. Moreover, they will acquire skills which enable them to make predictions in strategic situations by making use of simple mathematical models. By means of completing case based exercises, they will learn to transform real life business situations to an appropriate economic model. Based on an analysis of this model, they will be able to devise optimal strategies and derive the corresponding managerial implications.</p>		

The course will be taught in English.

**Courses** (type, number of weekly contact hours, language — if other than German)

V (2) + Ü (2)

Module taught in: English

**Method of assessment** (type, scope, language — if other than German, examination offered — if not every semester, information on whether module is creditable for bonus)

a) written examination (approx. 60 to 120 minutes) or b) term paper (15 to 20 pages)

Language of assessment: English

creditable for bonus

**Allocation of places**

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**Additional information**

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**Workload**

150 h

**Teaching cycle**

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**Referred to in LPO I** (examination regulations for teaching-degree programmes)

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**Module appears in**

Master's degree (1 major) Management (2018)  
 Master's degree (1 major) International Economic Policy (2018)  
 Master's degree (1 major) China Business and Economics (2019)  
 Master's degree (1 major) China Language and Economy (2019)  
 Master's degree (1 major) Information Systems (2019)  
 Master's degree (1 major) China Business and Economics (2021)  
 Master's degree (1 major) China Language and Economy (2021)  
 Master's degree (1 major) Econometrics (2021)  
 Master's degree (1 major) Information Systems (2022)  
 Master's degree (1 major) International Economic Policy (2022)  
 Master's degree (1 major) Management (2022)  
 Master's degree (1 major) Econometrics (2022)  
 exchange program Business Management and Economics (2022)  
 Master's degree (1 major) Management International (2024)  
 Master's degree (1 major) Management (2024)  
 Master's degree (1 major) International Economic Policy (2024)  
 Master's degree (1 major) Econometrics (2024)