

<b>Module title</b>		<b>Abbreviation</b>
Theory of Industrial Organization 1		12-M-TI1-161-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>Theory of industrial organisation:</p> <ol style="list-style-type: none"> <li>1. Monopoly pricing <ul style="list-style-type: none"> <li>• Nonlinear pricing and mechanism design</li> <li>• Dynamic pricing: experience goods, durable goods</li> </ul> </li> <li>2. Oligopoly pricing <ul style="list-style-type: none"> <li>• Static price and quantity competition in homogeneous and differentiated goods markets</li> <li>• Comparative statics</li> <li>• Equilibrium market structure</li> </ul> </li> <li>3. Dynamic competition in oligopoly markets <ul style="list-style-type: none"> <li>• Subgame perfect equilibrium and models of dynamic competition</li> <li>• Repeated games and collusion</li> </ul> </li> <li>4. Strategic behaviour by incumbent firms <ul style="list-style-type: none"> <li>• Entry deterrence and predation</li> <li>• Signalling and reputation</li> </ul> </li> <li>5. Behavioral Industrial Organization <ul style="list-style-type: none"> <li>• Reference Dependent Preferences and Framing Effects</li> <li>• Time inconsistent behavior</li> </ul> </li> </ol> <p>The course will be taught in English.</p>		
<b>Intended learning outcomes</b>		
<p>Students which complete this class will acquire a working knowledge of advanced theoretical models of competition in oligopoly markets as well as sophisticated pricing techniques in monopoly markets. They will learn the conditions under which the predictions of these models are valid. They will become familiar with applications of advanced game theoretic tools, such as dynamic models of competition, for studying interactions between firms in markets. By means of comprehensive exercises, they will apply the methods they learn in class to practically relevant problems. They will be in a position to read academic papers on related topics, assess the strengths and weaknesses of an approach, summarize and comment on these papers and suggest possible extensions.</p>		
<b>Courses</b> (type, number of weekly contact hours, language — if other than German)		
V (2) + Ü (2)		
<b>Method of assessment</b> (type, scope, language — if other than German, examination offered — if not every semester, information on whether module is creditable for bonus)		
<p>a) written examination (approx. 60 to 120 minutes) or b) term paper (approx. 15 to 20 pages)  Language of assessment: German and/or English  creditable for bonus</p>		
<b>Allocation of places</b>		
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<b>Additional information</b>		
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<b>Workload</b>		
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) Economathematics (2016)  
 Master's degree (1 major) Business Information Systems (2016)  
 Master's degree (1 major) Business Management (2015)  
 Master's degree (1 major) China Business and Economics (2016)  
 Master's degree (1 major) International Economic Policy (2015)  
 Master's degree (1 major) China Language and Economy (2016)