Module description

**Module title**
Theory of Industrial Organization 2

**Abbreviation**
12-M-TI2-111-m01

**Module coordinator**
holder of the Chair of Industrial Economics

**Module offered by**
Faculty of Business Management and Economics

**ECTS**
5

**Method of grading**
numerical grade

**Duration**
1 semester

**Module level**
graduate

**Other prerequisites**
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**Contents**
Description:
This course discusses vertical contracts in supply chains and their impact on competition.

Outline of syllabus:
1. The classic problem of double marginalisation and its solution by nonstandard contracts (resale price maintenance, nonlinear pricing (rebates), exclusive territories, exclusive dealing etc.)
2. Contracts for service
3. Common agency
4. The delegation principle
5. The commitment problem
6. Interlocking relationships
7. Foreclosure by vertical contracts or mergers

**Intended learning outcomes**
After completing the course students are able to
(i) explain the results of theoretical industrial economics on vertical contracts;
(ii) apply the involved methods to given simple examples on their own;
(iii) recognize, in which real life situations (and how) the results can be applied;
(iv) analyze the impact of certain vertical contracts on competition.

**Courses**
(type, number of weekly contact hours, language — if other than German)
V (no information on SWS (weekly contact hours) and course language available)

**Method of assessment**
type, scope, language — if other than German, examination offered — if not every semester, information on whether module is creditable for bonus
written examination (approx. 60 minutes) or term paper (approx. 20 pages)

**Allocation of places**
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**Additional information**
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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 (2011)
Master's degree (1 major) Business Management (2011)
Master's degree (1 major) Economics (2011)
Master's degree (1 major) China Business and Economics (2014)
Master's degree (1 major) China Business and Economics (2012)
Master's degree (1 major) Chinese and Economics (2014)
Master's degree (1 major) Chinese and Economics (2012)