### Module description

<table>
<thead>
<tr>
<th>Module title</th>
<th>Theory of Industrial Organization 2</th>
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<tbody>
<tr>
<td>Abbreviation</td>
<td>12-M-TI2-132-m01</td>
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<thead>
<tr>
<th>Module coordinator</th>
<th>holder of the Chair of Industrial Economics</th>
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<tr>
<td>Module offered by</td>
<td>Faculty of Business Management and Economics</td>
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<tr>
<th>ECTS</th>
<th>Method of grading</th>
<th>Only after succ. compl. of module(s)</th>
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<tbody>
<tr>
<td>5</td>
<td>numerical grade</td>
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<tr>
<th>Duration</th>
<th>Module level</th>
<th>Other prerequisites</th>
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<tbody>
<tr>
<td>1 semester</td>
<td>graduate</td>
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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

V (no information on SWS (weekly contact hours) and course language available)

### Method of assessment

a) written examination (approx. 60 to 90 minutes) or b) written examination (questions concerning mathematical methodology; approx. 120 minutes) or c) term paper (approx. 15 pages) and oral examination (approx. 15 minutes), weighted 2:1 or d) case studies, project report or similar (approx. 10 pages) and presentation (approx. 15 minutes), weighted 2:1 or e) presentation (approx. 30 to 45 minutes), presentations can be held by one candidate each or in groups

Language of assessment: German, English

### 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) Business Management (2013)
Master's degree (1 major) Economics (2013)