Module title: Theory of Industrial Organization 2

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: --

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)
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 to 20 pages)
Language of assessment: German, English creditable for bonus

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 (2014)
Master’s degree (1 major) Economics (2014)