

Industrial Organisation

Code: 102334
ECTS Credits: 6

Degree	Type	Year	Semester
2501572 Business Administration and Management	OT	4	0
2501573 Economics	OT	4	0

Contact

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Use of languages

Principal working language: catalan (cat)
Some groups entirely in English: Yes
Some groups entirely in Catalan: Yes
Some groups entirely in Spanish: No

Prerequisites

Introduction to Economics
Microeconomics I
Mathematics I and II

Objectives and Contextualisation

Develop the theory to understand and analyze the behavior of firms and market outcomes, with special emphasis on industry applications.

Skills

Business Administration and Management

- Capacity for adapting to changing environments.
- Capacity for independent learning in the future, gaining more profound knowledge of previous areas or learning new topics.
- Capacity for oral and written communication in Catalan, Spanish and English, which enables synthesis and oral and written presentation of the work carried out.
- Demonstrate initiative and work individually when the situation requires it.
- Organise the work in terms of good time management, organisation and planning.
- Select and generate the information necessary for each problem, analyse it and take decisions based on that information.
- Show motivation for carrying out quality work and sensitivity to the consequences for the environment and society.
- Work well in a team, being able to argue proposals and validate or reject the arguments of others in a reasoned manner.

Economics

- Analyse situation in which there is unequal information between the two sides involved.
- Capacity for adapting to changing environments.
- Demonstrate initiative and work individually when the situation requires it.

- Formulate recommendations of economic policy that improve efficiency and equity in market operations.
- Identify the processes that govern the operation of markets in different competition systems, different scenarios of interrelationship and different timescales.
- Organise the work in terms of good time management, organisation and planning.
- Select and generate the information necessary for each problem, analyse it and take decisions based on that information.
- Take decisions in situations of uncertainty, demonstrating an entrepreneurial and innovative attitude.

Learning outcomes

1. A capacity of oral and written communication in Catalan, Spanish and English, which allows them to summarise and present the work conducted both orally and in writing.
2. Analyse the operating conditions of markets and other forms of social interaction.
3. Capacity to adapt to changing environments.
4. Capacity to continue future learning independently, acquiring further knowledge and exploring new areas of knowledge.
5. Consider formal models which can be used to study situations with information asymmetry between the parts.
6. Demonstrate initiative and work independently when required.
7. Demonstrate motivation regarding the quality of the work performed and sensitivity regarding the consequences on the environment and society.
8. Identify the basic elements that characterise the organisation of a market.
9. Identify the conditions and processes that generate externalities as well as the problems posed by public goods.
10. Identify the consequences of the existence of information asymmetry among different economic agents on the way in which these organise themselves and on the efficiency of the relationship they establish.
11. Make decisions in situations of uncertainty and show an enterprising and innovative spirit.
12. Organise work, in terms of good time management and organisation and planning.
13. Propose the optimum design of the institutions regulating the markets and of its equipment.
14. Select and generate the information needed for each problem, analyse it and make decisions based on this information.
15. Solve the models formulated to obtain empirically stable predictions.
16. Use basic optimisation tools and the game theory, and include these elements in a theoretical model.
17. Work as part of a team and be able to argue own proposals and validate or refuse the arguments of others in a reasonable manner.

Content

1. Industrial Organization. Features and Content.
 - 1.1. Approaches
 - 1.2. Measures of Concentration
2. Monopoly
 - 2.1. Equilibrium
 - 2.2. Price Discrimination
 - 2.3. Multi-Product Monopolist
 - 2.4. Vertical Integration
3. Oligopoly and Strategic Behavior
 - 3.1. Competition in Quantities
 - 3.2. Competition in Prices
 - 3.3. Sequential competition
 - 3.4. Entry
 - 3.5. Tacit Collusion
4. Product Differentiation
 - 4.1. Representative Consumer
 - 4.2. Horizontal differentiation and the Circular City Model
 - 4.3. Vertical Differentiation

Methodology

Lectures in the classroom, together with sessions of practice problems.

All teaching materials will be available exclusively in digital format in the Moodle page of the course.

Activities

Title	Hours	ECTS	Learning outcomes
Type: Directed			
Lectures	45	1.8	2, 3, 1, 4, 8, 9, 10, 5, 13, 15, 14, 17, 16
Type: Supervised			
Office hours	15	0.6	2, 8, 9, 10, 5, 13, 15, 16
Type: Autonomous			
Study, problem sets and readings	83	3.32	2, 6, 8, 9, 10, 7, 12, 5, 13, 15, 17, 16

Evaluation

The course evaluation will be done continuously with midterm tests, and a final examination. The weight of each of the above in the calculation of the final grade will be as follows: 65% final exam, 35% midterm tests and problem sets.

- Midterm tests: The objective is to facilitate learning through the ongoing study of the topics seen in class. The maximum duration of each test is of 60 minutes.

- Final exam is inclusive of all the material studied in the course and requires that the students have a comprehensive understanding of the subject of study. Thus, this evaluation system aims to ensure success in the learning process. The maximum duration of the exam is of 4 hours.

- Problem sets: The problem sets aim to help the students learn and master the material seen in class.

If using the weights mentioned above, a student's final grade is of 5 or above, the student will have passed the course.

For those students with a final grade equal to or greater than 4 and less than 5, there will be a re-evaluation.

The type of reevaluation will be published when the final grades are announced. This re-evaluation will be programmed in the schedule of examinations. Students who pass the re-evaluation will earn a final grade of 5. Otherwise, the student will keep the original final grade.

If the final grade is below 4, the student will have to retake the course in the following academic year.

No exams will be given outside of the dates established and announced.

A student is considered to be "non evaluated" if he/she has not participated in any evaluation activity.

Therefore, it is considered that a student who has participated in at least one evaluation activity, will not be eligible for the grade "non evaluated".

Evaluation activities

Title	Weighting	Hours	ECTS	Learning outcomes
Final exam	65%	4.5	0.18	2, 1, 6, 8, 9, 10, 7, 12, 5, 11, 13, 15, 14, 16
Midterm tests	30%	2	0.08	2, 1, 8, 9, 10, 6, 12, 5, 11, 13, 15, 14, 16
Problem sets	5%	0.5	0.02	2, 3, 1, 4, 6, 8, 9, 10, 7, 12, 5, 11, 13, 15, 14, 17, 16

Bibliography

Cabral, L., 2000, Introduction to Industrial Organization, MIT Press.

Tirole, J., 1988, The Theory of Industrial Organization, MIT Press.