

Industrial Organisation

Code: 102334
 ECTS Credits: 6

Degree	Type	Year	Semester
2501572 Business Administration and Management	OT	4	0
2501573 Economics	OT	3	2
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.

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. Collusion
 - 3.6 Mergers
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, 1, 4, 8, 9, 10, 7, 5, 13, 15, 16
Type: Autonomous			
Study, problem sets and readings	83	3.32	2, 3, 4, 6, 8, 9, 10, 7, 12, 5, 13, 15, 17, 16

Evaluation

Evaluation process

The assessment of the course will be done continuously, through partial tests and exercises, and a final exam. The weight of each of the previous components in the calculation of the final mark is as follows: 50% for the final exam, 50% for the partial tests and exercises.

- Partial tests: the objective is to facilitate the learning of the subject by means of the continuous study (instead of a great effort of punctual learning for a great number of materials). The maximum duration of each partial test will be 60 minutes.

- Final exam: it will include all the material studied in the course. It will require that the student has a global knowledge of the subject. Thus, this evaluation system aims to guarantee the success of the learning process of as many students as possible. The maximum duration of the final exam will be 2.5 hours.

- Problem sets: they aim to help students to learn and master the concepts developed in the classes.

A student is considered to be "Non evaluated" if she/he has not participated in any of the evaluation activities. Therefore, it is considered that a student who has participated in at least one evaluation activity will no longer be eligible for the grade "Non evaluated."

Calendar of evaluation activities

The dates of the evaluation activities (midterm exams, exercises in the classroom, assignments, ...) will be announced well in advance during the semester.

The date of the final exam is scheduled in the assessment calendar of the Faculty.

*"The dates of evaluation activities cannot be modified, unless there is an exceptional and duly justified reason why an evaluation activity cannot be carried out. In this case, the degree coordinator will contact both the teaching staff and the affected student, and a new date will be scheduled within the same academic period to make up for the missed evaluation activity."***Section 1 of Article 115. Calendar of evaluation activities (Academic Regulations UAB).**

Students of the Faculty of Economics and Business, who in accordance with the previous paragraph need to change an evaluation activity date must process the request by filling out an **Application for exams' reschedule**

https://eformularis.uab.cat/group/deganat_feie/application-for-exams-reschedule

Grade revision process

After all grading activities have ended, students will be informed of the date and way in which the course grades will be published. Students will be also be informed of the procedure, place, date and time of grade revision following University regulations.

Retake Process

"To be eligible to participate in the retake process, it is required for students to have been previously been evaluated for at least two thirds of the total evaluation activities of the subject." **Section 3 of Article 112 ter. The recovery (UAB Academic Regulations).**

Additionally, it is required that the student to have achieved **an average grade of the subject between 3.5 and 4.9.**

The grading of the retake examination will be qualitative, with two possible options: "pass" or "fail". If the grade is "pass", the numerical grade will be of 5 for the course. If the grade is "fail", the student will not pass the course and the final grade will be the existing one prior to the retake examination.

The date of the retake exam will be posted in the calendar of evaluation activities of the Faculty.

Irregularities in evaluation activities

In spite of other disciplinary measures deemed appropriate, and in accordance with current academic regulations, *"in the case that the student makes any irregularity that could lead to a significant variation in the grade of an evaluation activity, it will be graded with a 0, regardless of the disciplinary process that can be instructed. In case of various irregularities occur in the evaluation of the same subject, the final grade of this subject will be 0"*. **Section 10 of Article 116. Results of the evaluation. (UAB Academic Regulations).**

Evaluation activities

Title	Weighting	Hours	ECTS	Learning outcomes
Final exam	50%	4.5	0.18	2, 1, 6, 8, 9, 10, 7, 12, 5, 11, 13, 15, 14, 16
Midterm tests and problem sets	50%	2.5	0.1	2, 3, 1, 4, 8, 9, 10, 6, 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.