

Theory of imperfect competition

Winter 2015/16

Lecturer: Ao. Prof. Dr. Ana B. Ania <ana-begona.ania-martinez@univie.ac.at>

Lectures: Mondays from Oct. 5, 2015 to Jan. 18, 2016 at 8.00-9.30 in seminar room 16, 3rd. floor.

Final exam: Monday Jan. 25, 2016 at 8.00-9.30 in lecture room 17, 2nd. floor.

ECTS points: 4 ECTS credit points (2 hours) in the Economics Bachelor.

Registration: Online registration.

Prerequisites: Microeconomics and game theory

Objectives: Students get training on special topics in industrial organization. The course is intended to complement the microeconomics and game theory lectures of the Bachelor curriculum in Economics.

Content: The following topics will be addressed in a series of exercise sheets:

- Microeconomic foundations, canonical model of industrial organization
- Monopolistic behavior: multiproduct firm, durable goods, price discrimination
- Oligopolistic competition: market concentration, product differentiation
- Repeated interaction and collusion
- Vertical relations
- Advertising
- Entry and exit, mergers and acquisitions
- Research and development
- Networks and standards

Methods: Basic calculus tools of microeconomic analysis and game theory.

Grading: Students will be assigned a problem to solve and present in class. At the end of the semester there will be a final exam covering all the contents of the course. The grade will correspond to the sum of points in the assignment (up to 20 points), class presentation (up to 30 points) and final exam (up to 50 points). Students are required 50 out of a 100 points to pass the class.

- Students can use all class materials to solve their assignment and must submit a written solution at most one day before class presentation.
- Students can use their written solution and class notes for a 10 to 15 minute presentation in class. During or just after their presentation they may be asked questions related to their assignment.
- At the end of the semester, there will be a closed-book, written exam where only a non-programmable pocket calculator is allowed.

References:

- Helmut Bester. Theorie der Industrieökonomik. Springer Verlag.
- Luís Cabral. Introduction to Industrial Organization. MIT Press.

Materials: Students can access class materials in the Moodle site for this course.

<https://moodle.univie.ac.at/course/view.php?id=43311>