

Course of study in
"Innovative, multimedia and digital communication" - [L-20].
 a.y. 2021/2022

SUBJECT
Fundamentals of Political Economy

SDS: SECS-P/01 ECT: 6
 II YEAR; II SEMESTER

Lecturer: **Prof. Monica Varlese**
 Disciplinary tutor: **Dr. Marco De Simone**

<p>Qualification and scientific background of the lecturer</p>	<p>She graduated in Economics and Finance from the Luiss Guido Carli University in Rome. By April, she is expected to complete her PhD in Statistical Economics and Sustainability from the University of Naples Parthenope. She works on dynamic macroeconomic models for analysing the impact of fiscal, monetary and macroprudential policies.</p>
<p>Description of contents and subdivision of the programme into teaching modules</p>	<p>TABLE AND DEFINITION OF CONTENTS</p> <p>The course provides the basics that introduce political economy and aims to analyse the behaviour and decisions of consumers and businesses in order to provide useful tools for understanding the essential characteristics of the economic system.</p> <p>In addition, the course addresses the models of monopoly, perfect and monopolistic competition and oligopoly, provides some insight into the role of advertising and its ability to influence market power, and aims to introduce the logic of rational consumer and business decisions to understand the relationships between economic agents.</p> <p>The course consists of 2 modules.</p> <p>➤ Module 1 - Fundamentals of microeconomics and monopoly power</p> <ul style="list-style-type: none"> ▪ Definition of Political Economy and introductory notions. ▪ Perfect competition. ▪ Monopoly. ▪ Efficiency Surplus and size compared to the market. ▪ The Market Structure. ▪ Market power. ▪ Price discrimination.

	<ul style="list-style-type: none"> ▪ Product grouping and horizontal differentiation. ▪ Introduction: Theories of oligopoly. <p>➤ Module 2 - Oligopoly, strategic competition and anti-competitive strategies</p> <ul style="list-style-type: none"> ▪ Introduction to game theory. ▪ Nash equilibrium. ▪ The models: Cournot - Bertrand. ▪ Credibility. ▪ Dynamic games and entry deterrence. ▪ Collusion. ▪ Mergers. ▪ Advertising (part 1). ▪ Advertising (part 2).
<p>Abstract</p>	<p>The Fundamentals of Political Economy course provides the elementary notions that introduce political economy. The course aims to analyze the behaviour and decisions of consumers and businesses to provide useful tools for understanding the essential characteristics of the economic system. The course presents and discusses the models of monopoly, perfect and monopolistic competition, and oligopoly. In addition, some notions are provided to understand the role of advertising and its ability to influence market power.</p> <p>The course aims to introduce the logic of rational decisions of consumers and businesses, to understand the relationships between economic agents.</p>
<p>Learning objectives</p>	<p>The course trains:</p> <ul style="list-style-type: none"> ➤ the ability to understand the functioning of competitive and non-competitive market regimes and strategic behaviour between economic actors, ➤ the ability to understand the principles of market regulation, with respect to relations between firms (e.g. vertical integration, horizontal integration, pricing policies), ➤ the ability to understand the dynamics of markets, businesses and innovation, ➤ the ability to understand the role of advertising and its correlation with market power.
<p>Expected learning outcomes</p>	<p>A. Knowledge and understanding: behaviour of firms, the regulator, market equilibrium; competitive and non-competitive markets regime; strategic behaviour between economic actors; principles of market regulation; relationships between firms (e.g. vertical</p>

	<p>integration, horizontal integration, pricing policies); ability to understand the dynamics of markets and firms.</p> <p>B. Applied knowledge and understanding: assessing and providing opinions on issues of economic relevance and economic policy, applying the learned theoretical models to concrete cases relating to markets, sectors, industries; carrying out scientific and documentary research, preparing information reports.</p>
<p>Skills to be acquired</p>	<p>A. Autonomy of judgement: ability to take reasoned and sustainable positions with reference to economic policy issues; use and re-elaborate independently collected data; apply theoretical models independently for evaluation purposes; research and find independently data, information, sources, doctrine for economic, business, financial evaluations.</p> <p>B. Communication skills: use of technically correct and effective vocabulary in a professional context; ability to argue on economic, business and financial issues, with language propriety and adequate scientific references.</p> <p>C. Learning ability: to develop a study method appropriate to the different fields, functional to the autonomous development of knowledge/skills (not mechanical or mnemonic study method, but reasoned and declined with attention to concepts); ability to carry out bibliographical, data and scientific research, ability to consult and exploit sources in English.</p>
<p>Didactics organisation</p>	<p>DIDACTICS PROVISION</p> <ul style="list-style-type: none"> ➤ No. 18 recorded video lessons available on the platform. ➤ 4 synchronous meetings on the platform. ➤ Podcasts of all the above-mentioned video lessons. <p>INTERACTIVE DIDACTICS</p> <ul style="list-style-type: none"> ➤ 1 course orientation forum; ➤ 2 thematic follow-up forums (1 per module); ➤ Possibility to carry out work in groups. ➤ 2 structured <i>e-activities</i> (as described in the section "<i>in itinere assessment methods</i>"). <p>SELF-LEARNING</p>

	Teaching materials are provided for each module: in-depth thematic studies, articles and slides by the lecturer, open access readings, online resources, reference bibliography.
Recommended examination texts	➤ G. Di Barlolomeo, E. Saltari, R. Tilli, <i>Principi di Economia Politica</i> , Carocci, 2019
In itinere assessment methods	Access to the final examination is subject to the completion of the following 2 e-activities : ➤ Etivity 1 (module 1) - paper of approx. 1,000 words; ➤ Etivity 2 (module 2) - multiple-choice test.
Procedure for the final examination	The assessment of learning will take the form of an oral interview on the course contents and on the final report submitted, if any. The grade (min 18, max 30 with possible honours) is determined by the level of performance for each of the following dimensions of the oral interview: mastery of contents, appropriateness of definitions and theoretical references, clarity of argument, command of specialist language.
Language of instruction	Italian