

Course of study in
"Economics, Management and International Markets" - [L33].
 a.y. 2021/2022

SUBJECT
Industrial organisation: theory and regulation

SDS: SECS-P/02 - ECT: 9
 I YEAR; II SEMESTER

Lecturer: **Prof. Francesco Busato**
 Disciplinary Tutor: **Dr. Saverio Di Giorno**

<p>Qualification and scientific background of the lecturer</p>	<p>He graduated from the University of Rome La Sapienza, completed a Master in Economics at Bocconi University and a PhD in Economics and Finance at Columbia University, New York.</p> <p>Assistant Professor at Aarhus University, Denmark, Researcher at the University of Rome III, Associate Professor and then Full Professor at the University of Naples Partenope. Coordinator of the PhD in Statistical Economics and Sustainability.</p> <p>He works on dynamic models and finance and publishes in peer reviewed journals.</p>
<p>Description of contents and subdivision of the programme into teaching modules</p>	<p>Industrial organisation is the study of imperfect competition. Industrial economists are interested in the markets that actually exist in the real world.</p> <p>Industrial organisation has become a field rich in practical insights into actual business behaviour and public policies.</p> <p>This course presents the modern analysis of market situations involving such strategic interaction, an analysis that is rooted in non-cooperative game theory.</p> <p>The course is organised in 3 modules:</p> <ul style="list-style-type: none"> ➤ Module 1 - Fundamentals of microeconomics and monopoly power <ul style="list-style-type: none"> ▪ Perfect competition (fundamentals of microeconomics). ▪ Monopoly (fundamentals of microeconomics).

	<ul style="list-style-type: none"> ▪ Efficiency Surplus and Dimensions in respect to the Market (Microeconomics fundamentals). ▪ The structure of a market (fundamentals of microeconomics). ▪ Measuring market power (fundamentals of microeconomics). ▪ Third degree price discrimination. ▪ Price discrimination. ▪ Second degree price discrimination. ▪ The grouping of products. ▪ Horizontal differentiation. <p>➤ Module 2 - Oligopoly and Strategic Competition</p> <ul style="list-style-type: none"> ▪ Theories of oligopoly. ▪ Introduction to game theory. ▪ Nash equilibrium. ▪ Cournot model. ▪ Cournot model with several companies, different costs. ▪ Bertrand model. ▪ Stackelberg model. <p>➤ Module 3 - Anti-competitive strategies and regulation</p> <ul style="list-style-type: none"> ▪ Credibility. ▪ Dynamic games and entry deterrence. ▪ Predatory behaviour. ▪ Collusion. ▪ Mergers. ▪ Advertisement. ▪ Networks. ▪ Regulation.
<p>Abstract</p>	<p>Industrial organisation is the study of imperfect competition. Industrial economists are interested in markets that actually exist in the real world.</p> <p>Industrial organisation has become a field rich with practical insights regarding actual business behaviour and public policies. This course is all about these developments.</p> <p>This course presents the modern analysis of market situations involving such strategic interaction - an analysis that is rooted in non-cooperative game theory. This analysis is used to examine such issues as why there are so many varieties of cereals, or how firms maintain a price-fixing agreement, or how advertising and product innovation affect the nature of competition. It is also described how the predictions of these models have been tested.</p>

<p>Learning objectives</p>	<p>The course trains the ability to understand:</p> <ul style="list-style-type: none"> ➤ the functioning of non-competitive market regimes and strategic behaviour between economic actors; ➤ principles of market regulation, with respect to the relations between enterprises (e.g. vertical integration, horizontal integration, pricing policies); ➤ the dynamics of markets, enterprises, innovation, networks and, more generally, regulated sectors.
<p>Expected learning outcomes</p>	<p>A. Knowledge and understanding: Knowledge of behaviour of enterprises, of the regulator, market equilibrium; market regimes; non-competitive markets; strategic behaviour between economic actors; principles of market regulation; relations between enterprises (e.g. vertical and horizontal integration, price policies); the dynamics of markets, enterprises, innovation, networks and, more generally, of regulated sectors. Ability to understand, value and appreciate the economic, national and international policy aspects of the phenomena observed.</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, with a focus on regulation (microeconomic level); carrying out scientific and documentary research, preparing information reports, minutes of meetings, managing requests for information; classifying, archiving documents.</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 mastery 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</p>

	<p>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 promote English sources.</p>
Didactics organisation	<p>DIDACTIC PROVISION</p> <ul style="list-style-type: none"> ➤ No. 27 recorded video lessons available on the platform; ➤ 6 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; ➤ 3 in-depth thematic forums (1 per module); ➤ Possibility to carry out work in groups. ➤ 3 structured <i>e-activities</i> (as described in the section “<i>in itinere assessment methods</i>”). <p>SELF-LEARNING</p> <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.</p>
Recommended examination texts	<ul style="list-style-type: none"> ➤ <i>Organizzazione Industriale</i>, 3/ED 8838669201 - 9788838669200 by Lynne Pepall, Daniel J. Richards, George Norman, Giacomo Calzolari.
In itinere assessment methods	<p>Access to the final examination is subject to the following 3 e-activities:</p> <ul style="list-style-type: none"> ➤ 1 paper of about 1,000 words - Module 1; ➤ 1 quiz - Module 2; ➤ 1 in-depth study - Module 3.
Procedure for the final examination	<p>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.</p>
Language of instruction	Italian