

Industrial Organization

UGRA_013013

Departments	Department of Economics, Finance & Accounting
Teaching Languages	English
ECTS	7
Teacher responsible	Matthieu Emmanuel Soupre - matthieu.soupre@esade.edu Jordi Vives Perez - jordi.vives3@esade.edu

Course Goals

The fundamental objective of the course is to train the Student to analyze and interpret reality from an economic perspective, what one might call "thinking like an economist." In this sense, the course provides a basis for understanding the most basic market structures.

Students will lean how the framework in which firms operate have a strong influence in firms' strategies. The course also looks at how different market structures are relevant to understand income inequality distribution and what are the alternatives to regulate markets characterized a imperfect competition.

Previous knowledge

A solid command of Calculus and Algebra is essential for working with certain economic models. Additionally, knowledge of Statistics is recommended, as it plays a key role in data analysis.

Prerequisites

The prerequisites for this course are an Introductory Microeconomics course or the permission of the instructor.

Teaching methodology

Instruments of Economic Analysis will be used to study market structures and strategic behavior.

The learning process combines different pedagogical methodologies: lectures, analysis and discussion of case studies, individual work, small group tasks, and open discussion, among others.

During theoretical lectures, faculty staff will describe and analyze the instruments and the formal models relevant to the contents of the course.

In the practice seminars, faculty staff will solve exercises, apply the knowledge acquired in real-world situations, and perform the rest of the activities (Case Studies, Market Study Project, other activities).

There is also the possibility of online or face-to-face tutorials to clarify any doubts. Students can take advantage of faculty office hours or arrange an on-demand review session by email.

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Under demand via email

Faculty: Juan Pedro Aznar
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Description

Course contribution to program

The course Industrial Organization is part of the training in Economics required for all GEL, GDL and GBL undergraduate students with an interest in applied social sciences, so it shares the following contributions with the subjects provided by the Department of Economics, Finance and Accounting:

Develop students' analysis ability, mental acumen, and critical outlook concerning problems and economic relationships between companies and their environment.

Provide the highest level of professional training and the information required for future professionals in the business or management fields.

Short description

This course provides an in-depth analysis of the structure, conduct, and performance of firms and markets within the industrial sector. Students will explore key concepts in market competition, monopoly, oligopoly, and monopolistic competition, with a focus on the strategies firms employ to gain and sustain market power. Topics include pricing strategies, product differentiation, barriers to entry, and the impact of government regulations on industry behavior. Through case studies and empirical analysis, students will develop a robust understanding of how industries operate and evolve, preparing them for careers in business strategy, economics, and public policy. This course combines theoretical foundations with practical insights, enhancing students' ability to analyze real-world industrial issues critically.

Bibliography

Branderburger & Nalebuff, Coopetition, Currency Doubleday (Book)
Carlton & Perloff, Modern Industrial Organization (Book)

De Angelis, Business Models in the Circular Economy, Palgrave (Book)
 Dixit & Nalebuff, The Art of Strategy, Norton (Book)
 Evans & Schmalensee, Matchmakers, Harvard Business (Book)
 Goolsbee et al., Microeconomics, Worth Publishers (Book)
 Parker et al., Platform Revolution, Norton (Book)
 Pindyck & Rubinfeld, Microeconomics, Pearson, 8th edition (Book)
 Stahel, The Circular Economy, Routledge (Book)
 Frank, R.H., Microeconomics and Behavior, McGraw-Hill, 9th edition (Book)
 Genaro & Melchor, Economía Aplicada, Tirant lo Blanch (Book)
 Krugman & Wells, Economics, Worth Publishers, 4th edition (Book)
 Varian, Intermediate MicroEconomics, Norton, 9th edition (Book)

Activities

In-class discussions and debates

The main idea behind this part of the grade is not to penalize students that ask questions but rather award students that participate and show interest in the course as well as being well prepared.

Written and/or oral exams

Condition to pass the subject:

- The Student has to pass the final exam (at least a 5 out of 10)

IMPORTANT: Submitting your projects on time is very important. Please make sure you always check the deadlines.

Group presentations

A Case Study with an industrial-related company will be proposed. The company will offer two in-class sessions. The Case will be in groups and will require students to prepare a presentation + a consulting report on the questions addressed to each group.

Content

#	Topic
1	1) INTRODUCTION a) What is Industrial Organization b) The economy, Management, and Science c) Industrial Organization Models Chapter Bibliography: Carlton & Perloff, Ch. 1
2	2) INDUSTRIAL ORGANIZATION TOOLS a) Market Power Indicators b) Market Structures c) Horizontal Limits of firms: Economies of Scope and Economies of Scale d) Vertical Limits of Firms Chapter Bibliography: Besanko, Dranove & Shanley, Ch. 2 and 3
3	3) COMPETITIVE MARKETS (Review Material) a) Assumptions and Model b) Individual Firm Behaviour c) The competitive market: Short Run and Long Run d) Demand and Supply Elasticity Chapter Bibliography: Carlton & Perloff, Ch. 4
4	4) MARKET POWER a) Monopoly b) Monopsony c) Dominant Position d) Cartel Chapter Bibliography: Carlton & Perloff, Ch. 4 and 5
5	5) OLIGOPOLY a) Introduction b) Game Theory (Review Material) c) Single-Period Oligopoly Models d) Multiperiod Games: Collusion versus competition. e) Testing Oligopoly Models Chapter Bibliography: Carlton & Perloff, Ch. 6 and 7
6	6) MONOPOLISTIC COMPETITION a) Introduction b) Product Differentiation c) Representative

#	Topic
6	Consumer Model d) Spatial Competition e) Hybrid Models Chapter Bibliography: Carlton & Perloff, Ch. 8
7	7.1) PRICING a) Introduction b) First-Degree Price Discrimination c) Second-Degree Price Discrimination d) Third-Degree Price Discrimination e) Other Types of Discrimination Chapter Bibliography: Carlton & Perloff, Ch. 11 Golsbee et al, Ch. 10 Pindyck & Rubinfeld, Ch. 11 7.2) PRICING (II) a) Nonlinear Pricing b) Tie-in Sales c) Quality Choice d) Other Methods of Nonlinear Pricing Chapter Bibliography: Carlton & Perloff, Ch. 12
8	8) INFORMATION (Subject to schedule) a) Information Relevance b) Limited Information about Quality c) Limited Information about Price d) The Noisy Monopoly: Price Chapter Bibliography: Carlton & Perloff, Ch. 14
9	9) PLATFORM ECONOMY a) Economy and Technology b) Network Effects c) Metrics, phases d) Myths Chapter Bibliography: Parker, Van Alstyne & Choudary Evans & Schmalensee
10	10) CIRCULAR ECONOMY a) Introduction b) Regulation c) Business Models Chapter Bibliography: De Angelis Stahel

Assessment

Tool	Assessment tool	Category	Weight %
Attendance and punctuality	Individual Participation	Retake and ordinary round	10.00%
Written and/or oral exams	Midterm Exam	Ordinary round	20.00%
Group project	Project ESADE - In Company	Ordinary round	30.00%
Written and/or oral exams	Final Exam	Ordinary round	40.00%

PROGRAMS

G114S-Global Governance Exchange Program (Undergraduates: Law)
 G114S Year 1 (Optative)

GBL24-Double Degree in Business Administration and Global Governance, Economics and Legal Order (Undergraduates: Business)

GBL24 Year 2 (Optative)

GBL25-Double Degree in Business Administration and Global Governance, Economics and Legal Order (Undergraduates: Business)

GBL25 Year 2 (Optative)

GDL20-Double Degree in Law and Global Governance, Economics and Legal Order (Undergraduates: Law)
 GDL20 Year 3 (Optative)

GDL23-Double Degree in Law and Global Governance, Economics and Legal Order (Undergraduates: Law)
 GDL23 Year 3 (Optative)

GEL19-Bachelor of Global Governance, Economics and Legal Order (Undergraduates: Law)
 GEL19 Year 3 (Optative)

GEL23-Bachelor of Global Governance, Economics and Legal Order (Undergraduates: Law)
 GEL23 Year 3 (Optative)