



UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Industrial Economics and Industrial Dynamics M

2425-2-F8204B037-F8204B039M

Learning objectives

The module aims at providing theoretical and conceptual tools to the student to understand the complex relationship between firm's behavior and the industrial dynamics. Specifically, during the lectures, the student's attention will focus on the microeconomic analysis of market power and anti-competitive practices, on their strategic and institutional determinants, as well as on their consequences in terms of industrial concentration and social welfare. During the laboratory sessions, the student will contextualize the theoretical topics by analyzing real-world cases and econometric applications performed by using national and international datasets concerning industrial organization and dynamics.

Contents

Introduction to industrial organization and industrial dynamics; anti-competitive strategies; contractual relationships among firms; "non price"-based competition.

Detailed program

Topic

Introduction and fundamental concepts:

Introduction to industrial organization;

Competitive equilibrium, monopolistic equilibrium, and social welfare;

Market structure and market power;

Laboratory.

The determinants of market power in monopoly:
“Group pricing” discrimination and two-part tariff;
Variety and product quality in monopoly.

Anti-competitive strategies:
Collusion and repeated games;
Collusion: how to identify and contrast collusion;
Laboratory.

Contractual relationships among firms:
Mergers and acquisitions;
Vertical restrictions linked to prices;
Laboratory.

Non price competition:
Advertisement, market power, and information;
Laboratory: case study “Park Hyatt Maldives”;
Research and developments, patents;
Laboratory.

Prerequisites

The module does not have any specific prerequisite. It is suggested to attend the module after having completed the course “Microeconomia M” and the (first) module “Advanced Microeconomics” of the course “Modelli Economici M”.

Teaching methods

The course includes frontal lessons and laboratory activities:

- 28 hours of frontal lessons;
- 26 hours of frontal and interactive laboratory activities.

Frontal lessons will provide theoretical tools to understand the basis of industrial organization and dynamics. During the laboratory activities, concrete cases concerning the theoretical topics analyzed in class will be discussed. Students will also perform statistical and econometric techniques on dataset concerning industrial organization and dynamics.

Assessment methods

Written exam. The exam includes two parts. The first part contains four statements concerning the (theoretical) topics analyzed during the lectures. For each statement, the student must assess whether it is true or false and discuss her/his answer in detail. The second part is focused on the laboratory sessions and contains three open questions. The final grade is given by the average (with equal weights) of the points obtained in the two parts of the

exam. The exam lasts 90 minutes.

Textbooks and Reading Materials

L. Pepall, D. Richards, G. Norman, G. Calzolari, Organizzazione Industriale, 4/ed, McGraw-Hill, 2023.
Further teaching material, including what used during the laboratory activities, will be made available on the virtual space of the course: <https://elearning.unimib.it/enrol/index.php?id=51206>

Semester

Second period of the first semester.

Teaching language

Italian

Sustainable Development Goals

QUALITY EDUCATION | INDUSTRY, INNOVATION AND INFRASTRUCTURE
