UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Economics of Regulation and Competition

2526-2-E1805M013

Learning objectives

The course analyses the dynamics of competition among firms, market structure and the role of regulation. The aim is to provide students with theoretical elements useful for understanding the economic and institutional context in which firms operate, and conceptual tools for analysing economic phenomena at the micro level.

At the end of the course, students will be able to:

- formulate general assessments of the level of competition and efficiency performance of different industrial sectors
- assess the impact of firms' behaviour on the degree of competitiveness of the sector in which they operate
- understand how the behaviour of economic agents is conditioned by the institutional and regulatory environment
- apply knowledge to the identification of the main competitive and regulatory issues in relation to real cases.

Contents

Through a theoretical and empirical approach, topics such as market power, market forms, antitrust policies and regulatory interventions will be addressed, offering an in-depth understanding of firms' strategies and their impacts on markets.

Detailed program

Microeconomics Review

Market forms: structures, prices, and welfare.

Efficiency and market failures.

Oligopoly and Strategic Interaction

Cournot Model: competition on quantities.

Bertrand Model: competition on prices and markup.

Interactive Bertrand game to understand competitive dynamics.

Price Discrimination

Types of discrimination and capturing consumer surplus.

Arbitrage, welfare effects, and ethical profiles.

Concentration and Market Power

Concentration indices: CRk and Herfindahl-Hirschman Index (HHI).

Interpretation of antitrust thresholds.

Collusion and Agreements Between Firms

Factors favoring and hindering collusion.

Antitrust regulation and leniency programs.

Entry Deterrence and Predatory Strategies

Predation and below-cost pricing.

Productive capacity and reputation as barriers to entry.

Exercises and Exam Preparation

Solving sample exam exercises and analysis of typical errors.

Prerequisites

basic knowledge of the most important microeconomic concepts.

Teaching methods

12 hours of frontal classes (in presence)
24 hours of interactive learning (remotely)

Assessment methods

.FInal exam True/false (5 questions)

Textbooks and Reading Materials

• Cabral, L. (2018). Economia Industriale. Roma: Carocci.

Semester

second semester

Teaching language

Italian

Sustainable Development Goals

INDUSTRY, INNOVATION AND INFRASTRUCTURE