

Syllabus

Name:			
Theory of Industrial Organization – Theoretische Industrieökonomik I			
Responsible:			
Professor Toker Doganoglu, Ph.D Firat Inceoglu, Ph.D. (firat.inceoglu@uni-wuerzburg.de)			
Program:	Type:	Term:	ECTS:
Master	Lecture	Winter	5 CP
Contents & Objectives:			
<p>Students which complete this class will acquire a working knowledge of theoretical models of competition in oligopoly markets as well as sophisticated pricing techniques in monopoly markets. They will learn the conditions under which the predictions of these models are valid. They will become familiar with applications of advanced game theoretic tools such as dynamic competition models and auction theory for studying interactions between firms in markets. By means of comprehensive exercises, they will apply the methods they learn in class to practically relevant problems. They will be in a position to read academic papers on related topics, assess the strengths and weaknesses of approach, summarize and comment on these papers and suggest possible extensions.</p>			
Prerequisites:			
<p>Students taking this class should be familiar with basic concepts in Microeconomics and Game Theory. This background is provided in the courses "Games and Strategies" and "Mikroökonomik II". It would be ideal if they also have taken a class in Industrial Organization.</p>			
Course Structure:			
Week	Content		
1	I Monopoly Pricing I.a Nonlinear pricing and mechanism design		
2	I.b Dynamic pricing: experience goods, durable goods		
3	II Oligopoly pricing II.a Static price and quantity competition in homogeneous and differentiated goods markets		
4	II.b Comparative statics		
5	II.c Equilibrium market structure		
6	III Dynamic competition in Oligopoly Markets III.a Repeated games and collusion		
7	III.b Models of dynamic competition		
8	IV Strategic behavior by incumbent firms IV.a Entry deterrence, predation		
9	IV.b Signaling and reputation		
10	V. Market Entry and Exit		
11	VI. Horizontal Mergers		
12	VII. Behavioral Industrial Organization		

Literature:

Industrial Organization: Markets and Strategies, P. Belleflamme and M. Peitz, 2010, Cambridge University Press.

The Theory of Industrial Organization, J. Tirole, 1988, MIT Press. J. Tirole

Grading:
120 minutes exam
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