Detailed course unit executive plan and programme						
Course unit code	**To be determined (new course)**					
Course unit title	**INDUSTRIAL ORGANIZATION AND ANALYSIS**					
GENERAL INFORMATION						
Study programme	Graduate study program in Economics				Year	II
Director of the course and assistant	Dean Sinkovic, Phd, MBA Associate Professor of Economics Email: dean.sinkovic@unipu.hr					
Course status[1]	X	Mandatory		Elective		

Credits allocated and type of lectures		
	Winter semester	Summer semester
ECTS students workload	**6**	
Number of hours per semester	**(30L+30S)**	

Course objectives, teaching and learning methods and learning outcomes

The aim of this course is related to the organization of markets, pricing strategies of firms, the range of products a firm produce, the quality of a firm's products, competitive and non-competitive relationships between firms, etc. Student will acquire knowledge in analyzing the behavior of firms under different industrial structures - competitive, monopolistic and oligopolistic as well as to evaluate an antitrust policies and other government regulations of industries. The primary tools of industrial organization are consumer and producer theory, optimization and especially game theory. Further aspect of analysis will be devoted to implementation of industrial policies in various countries or regions in European Union and World. The key questions analyzed through this course are following: What is the firm's pricing strategy? Should firms bundle the sale of products? Why might firms vertically integrate? What incentives do firms have to undertake R&D? When should firms form research joint ventures? How and why is advertising effective? How does a country build its industrial capacities and support its competitiveness?

Learning outcomes are following:

1. To familiarize students with theoretical and methodological aspects of industrial organization and how to critically examine market structures in systematic and logical way.
2. Define, explain and compare scientific and professional contribution in dealing with pricing and marketing strategies individual firms can use in order to increase profits.
3. To understand and comprehend the design of marketplaces and development on niche markets as well as effects of interactions between firms and problems that can arise if they coordinate on anti-competitive strategies.
4. To assess policy responses to firm behavior such as antitrust laws and regulations and sub-optimal consumer behavior.
5. To define and understand the diversity of policy tools for industrial capacity development and long term global competitiveness.

Requirements, correspondence and correlativity

Requirements: Introduction to Economics, Microeconomics

Correspondence or Correlativity: Advanced Microeconomics, Industrial management, Development Economics, Game Theory

Course content (list of topics)

- Monopoly, Regulation of Natural Monopoly

[1] Mark with „X“

- Basic game theory: Nash equilibrium & sub game perfect equilibrium.
- Oligopoly: Bertrand price competition & factors that soften price competition (capacity constraints).
- Cournot competition; asymmetric costs.
- Product diferentiation & price competition.
- Advertising, market structure & competition.
- Collusion & dynamic competition; factors that facilitate collusion.
- Concentration and Market Power.
- Price Discrimination and regulation.
- Vertical Relations and regulation.
- Adverse Selection, Moral Hazard and Insurance Markets.
- Entry cost, market structure and welfare.
- Strategic barriers to Entry, Predation & Merger of Firms.
- Research and Development.
- Policy tools for industrial development and capacity building.

Modes of instruction and acquiring knowledge (mark in **bold)**

Lectures	**Seminars and workshops**	Exercises	**Individual tasks**	Multimedia and internet
Distance learning	Counseling	Laboratory	Tutorial	Fieldwork

Student requirements

Assessment and evaluation of students (mark in **bold)**

Attendance	**Class participation**	**Seminar paper**	Experimental work
Written exam	Oral exam	**Essay**	**Research**
Project	**Continuous assessment**	Report	Practical work

Assessment breakdown within the *European credit transfer system*

REQUIREMENTS	HOURS (estimation)	LEARNING OUTCOMES	SHARE IN ECTS	SHARE IN GRADE
Class attendance and participation		1-5	0,3	5%
Essay/Continuous Assessment		2-5	1,2	20%
Seminar Paper/Research Project		2-5	1,8	30%
Written Exam		1-6	2,7	45%
Total			6	100%

According to the ***Code of evaluation*** the final grade is obtained as follows:

A = 90 − 100% 5 (excellent)
B = 80 − 89,9% 4 (very good)
C = 70 − 79,9% 3 (good)
D = 50 − 69,9% 2 (sufficient)

Bibliography
Mandatory bibliography
1. L. Pepall, D. Richards, G. Norman (2014): **Industrial Organization: Contemporary Theory and Empirical Applications**, Wiley, Fifth Edition (available in e-book format) or
Additional bibliography
1. Cabral, Luis (2000): **Industrial Organization**: **An Introduction**, MIT Press 2. P. Belleflamme and M. Peitz (2010): **Industrial Organization: Markets and Strategies**, Cambridge University Press 3. M. Whinston (2006): **Lectures on Antitrust Economics**, MIT
Additional information on the course