

In view of the health context linked to the spread of the coronavirus, the methods of organisation and evaluation of the learning units could be adapted in different situations; these possible new methods have been - or will be - communicated by the teachers to the students.




5 credits

30.0 h + 15.0 h

Q1

Teacher(s)	Belleflamme Paul ;
Language :	English
Place of the course	Louvain-la-Neuve
Prerequisites	<i>The prerequisite(s) for this Teaching Unit (Unité d'enseignement – UE) for the programmes/courses that offer this Teaching Unit are specified at the end of this sheet.</i>
Main themes	Industrial organization is the study of firms and markets. It focuses on firm behavior in imperfectly competitive markets. Such markets appear to be far more common than the perfectly competitive markets that were the focus of your basic microeconomics course. Imperfectly competitive markets are characterized by strategic interaction among firms: firms' profits depend on the combination of the decisions taken by all firms on the market. Therefore, firms must take this interdependence into account when they make their decisions. In such contexts, we want to understand how firms acquire and use market power. We also want to shed light on government competition policy. This subject will be approached from both theoretical and applied perspectives.
Aims	<p>At the end of the course, students should (i) have a deep knowledge of the basic models of oligopoly theory, (ii) understand how or why oligopolistic firms manage to exert market power, (iii) understand how governments design and apply competition policy, (iv) apply all these concepts to real-life situations.</p> <p>-----</p> <p><i>The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".</i></p>
Evaluation methods	<p><b>Due to the COVID-19 crisis, the information in this section is particularly likely to change.</b></p> <p>The final grade in this course will be based on a 3 hour, close-book, written exam covering the entirety of the course (including the required readings). The exam will be organized in the January and September exam sessions. It will test the student's knowledge of the main concepts and their ability to apply these concepts through (i) the solution of numerical problems (similar to those solved during the classes) and (ii) the discussion of a real-life case study.</p>
Teaching methods	<p><b>Due to the COVID-19 crisis, the information in this section is particularly likely to change.</b></p> <p><b>Teaching</b> is done by combination of lectures and classes.</p> <ul style="list-style-type: none"> <li>• <i>Lectures</i> are given by the professor and are two hours long. There will be 12 lectures (and one online Q&amp;A session). Reading assignments are set during lectures to help you to read around the subject in your own time.</li> <li>• <i>Classes</i> are given by the teaching assistants and are two hours long. They are given to groups of about 30 students. There will be six classes, which will be devoted to solving problems and discussing case studies. All necessary information (formation of groups, schedule of classes) will be given very soon after the start of the term.</li> </ul> <p><b>Learning</b> involves your engagement in the above two forms of teaching. By attending the lectures and by reading the corresponding material, you will be exposed to the main theoretical concepts. By working out the solutions to the problem sets and by discussing case studies (through the classes), you will have the opportunity to deepen your understanding of the main concepts and to apply them to real-life situations.</p>
Content	<p><b>Course description</b></p> <p>Industrial organization is the study of firms and markets. It focuses on firms' behavior in imperfectly competitive markets. Such markets appear to be far more common than the perfectly competitive markets that were the focus of your basic microeconomics course. Imperfectly competitive markets are characterized by strategic interaction among firms: firms' profits depend on the combination of the decisions taken by all firms on the market. Therefore, firms must take this interdependence into account when they make their decisions. In such contexts, we want to understand how firms acquire and use market power. We also want to shed light on government competition policy. This subject will be approached from both theoretical and applied perspectives.</p> <p><b>Learning objectives/outcomes</b></p> <p>At the end of the course, students should</p> <ul style="list-style-type: none"> <li>• have a deep knowledge of the basic models of oligopoly theory,</li> </ul>

	<ul style="list-style-type: none"> <li>• understand how or why oligopolistic firms manage to exert market power,</li> <li>• understand how governments design and apply competition policy,</li> <li>• be able to apply all these concepts to real-life situations.</li> </ul>
Inline resources	A Moodle website is dedicated to the course. The slides and most of the readings are made available on the site. The site is also be used to send course related information.
Bibliography	<p>The course will rely heavily on the required textbook by Paul Belleflamme and Martin Peitz, <a href="#">Industrial Organization: Markets and Strategies</a> (Cambridge: Cambridge University Press, 2015; 1st edition, 2010).</p> <p>Occasional additional readings (typically news articles) may be posted on the Moodle website.</p> <p>Students are encouraged to scan the business sections of magazines and newspapers such as <a href="#">The Economist</a>, <a href="#">Wall Street Journal</a>, and <a href="#">Financial Times</a> for articles relevant to the topics covered in the course.</p>
Other infos	It is assumed that the student has taken 'ECGE1222 - Microéconomie' (or equivalent). The student should be comfortable with applying calculus and should have a rudimentary knowledge of game theory, as is introduced in 'ECGE1222 - Microéconomie' or as is further covered in 'ECGE1333 - Théorie des jeux et économie de l'information'. For those who have not taken a course in game theory, we will have a review of important concepts as well as one class dedicated to solving game theory problems.
Faculty or entity in charge	ESPO

<b>Programmes containing this learning unit (UE)</b>				
Program title	Acronym	Credits	Prerequisite	Aims
Bachelor : Business Engineering	<a href="#">INGE1BA</a>	5	<a href="#">LANGL1330</a> AND <a href="#">LECGE1115</a>	
Bachelor in Economics and Management	<a href="#">ECGE1BA</a>	5	<a href="#">LANGL1330</a> AND <a href="#">LECGE1115</a>	
Additional module in Mathematics	<a href="#">LMATH100P</a>	5		
Minor in Economics	<a href="#">LECON100I</a>	5		