



Course Outline

EE481 Industrial Economics (Section 046402)

Semester 1/2023 (August 15 - December 4, 2023)

Lecture Time: Wednesday, 13.00-16.00 hours

Lecture Venue: Room 302

Teaching Materials Platform: Google Classroom
<https://classroom.google.com/c/NjE3NDM4NjYxMDYy?cjc=anin56h>

Instructor:

Name: Dr. Winai Homsombat

Office Hours: By appointment

Email: winai@econ.tu.ac.th

Number of Credit: 3 Credits (3-0-6)

Prerequisite: EE311

Course Description:

This course studies behaviors of firms under imperfectly competitive markets. It covers the structure–conduct–performance (SCP) paradigm, which examines the relationship among market structure, firms' conducts and their performance. It also covers firms' decision on operation, resource allocation, as well as firm's strategic actions. Price theory and game theory will be used to analyze issues such as pricing, research and development, advertising, and firms' decision under imperfect information.

Course Objectives:

Upon the completion of EE481 Industrial Economics, students should be able to:

- Apply theories of economics and industrial analysis, particularly in assessing market structure, firm behavior, business outcomes, and social welfare from different market structures.
- Demonstrate a comprehensive understanding of various behaviors and strategies employed within different market structures, as well as governmental policies aimed at overseeing competition within the state's purview.

Expected Learning Outcomes: EE481 Industrial Economics

1. Morality and Ethics

Applicability	Expected Learning Outcomes	Evaluation Method
●	1. Students demonstrate integrity.	Class participation
○	2. Students prioritize social and public benefits over personal ones.	
●	3. Students are punctual and comply with the code of conduct of the institution and society at large.	Class participation
○	4. Students are responsible and accountable to society, the nation, and the subject of economics.	
○	5. Students realize the cultural and environmental value of a sustainable society.	

2. Knowledge

Applicability	Expected Learning Outcomes	Evaluation Method
●	1. Students know and understand modern economics principles and theories, and are up to date with new developments.	Quiz, Assignment, and Examination
●	2. Students know and understand Thai and global economic structure and the importance of major international economic events.	Quiz, Assignment, and Examination
○	3. Students know and understand the instruments of economic analysis.	
●	4. Students know and understand applied fields in economics, including monetary, public, international, business, natural resource, and environmental, industrial, agricultural, cooperative, political, developmental, and entrepreneurial economics as well as agribusiness.	Quiz, Assignment, and Examination
○	5. Students are informed about related fields including sociology, business administration, education, law policy, and science.	

3. Intellectual Development

Applicability	Expected Learning Outcomes	Evaluation Method
●	1. Students have developed individual critical thinking.	Participation, Quiz, and Assignment
●	2. Students are sufficiently trained in research skills.	Quiz, Assignment, and Examination
●	3. Students demonstrate an ability to analyze and synthesize data, as well as appropriately integrate economics concepts to understand the causes of current economic problems in Thailand. Based on analysis and synthesis, students demonstrate an ability to propose policy guidelines to resolve problems.	Quiz, Assignment, and Examination

4. Interpersonal Skills and Responsibilities

Applicability	Expected Learning Outcomes	Evaluation Method
●	1. Students are responsible for assigned tasks and work in groups effectively.	Quiz and Assignment
●	2. Students have problem-solving skills.	Quiz, Assignment, and Examination
○	3. Students show leadership skills and team spirit.	
●	4. Students are always improving themselves.	Participation, Quiz, and Assignment
○	5. Students have good interpersonal skills, adapt, and work under different conditions.	

5. Quantitative Analysis, communication, and information technology

Applicability	Expected Learning Outcomes	Evaluation Method
○	1. Students select and apply appropriate statistical and mathematical methods for data processing, interpretation, conclusions, and recommendations to resolve problems.	
○	2. Students communicate effectively and select appropriate presentation methods.	
○	3. Students use information and communication technologies appropriately to gather data as well as process, interpret, and present results.	

Remark: ● Primary expected outcome ○ Secondary expected

Main Text:

1. Waldman, D. E., Jensen, E. (2016). Industrial Organization: Theory and Practice. United Kingdom: Taylor & Francis. (WJ)
2. Carlton, D. W., Perloff, J. M. (2015). Modern Industrial Organization. Germany: Pearson. (CP)

Recommended Texts & Materials:

1. Shy, O. (1996). Industrial organization: theory and applications. MIT press. (OS)
2. Church, J. R., Ware, R. (2004). Industrial Organization: A Strategic Approach. United States: Irwin, or https://works.bepress.com/jeffrey_church/23/.
3. Motta, M. (2004). Competition policy: theory and practice. Cambridge university press.
4. Osborne, M. J. (2009). An Introduction to Game Theory. India: Oxford University Press.
5. Tirole, J. (1988). The Theory of Industrial Organization. Russia: MIT Press.

Grading Criteria:

Class participation	10%
Quiz and Assignment	20%
Mid-term examination	30%
Final examination	40%

Tentative Class Schedule:

Week	Topic
1	Lecture 1: Introduction to Industrial Economics <ul style="list-style-type: none"> - Review of market structure - Approaches to study industrial organization: Structure-Conduct-Performance and the New Empirical Industrial Organization <i>Reading: WJ (Chapter 3, 4, 6) CP (Chapter 1)</i>
2	Lecture 2: The Theory of Firm and Its Cost <i>Reading: WJ (Chapter 2) CP (Chapter 2)</i>
3	Lecture 3: Pricing with Market Power <ul style="list-style-type: none"> - Price discrimination - Welfare effect of price discrimination <i>Reading: WJ (Chapter 16) CP (Chapter 9, 10)</i>
4	Lecture 3: Pricing with Market Power <i>(Continued)</i>
5	Lecture 4: Game Theory <i>Reading: WJ (Chapter 7)</i>
6	Lecture 5: Oligopoly Market <ul style="list-style-type: none"> - Single-period oligopoly models - Multiperiod games <i>Reading: WJ (Chapter 8, 9, 10) CP (Chapter 6)</i>
7	Lecture 5: Oligopoly Market <i>(Continued)</i>
8	Mid-Term Examination Wednesday, October 4, 2023 [12.00-14.00 hours]
9	Lecture 6: Strategic Behavior among Firms <ul style="list-style-type: none"> - Pricing strategy - Non-pricing strategy <i>Reading: WJ (Chapter 11, 12) CP (Chapter 11)</i>
10	Lecture 6: Strategic Behavior among Firms <i>(Continued)</i>
11	Lecture 6: Strategic Behavior among Firms <i>(Continued)</i>
12	Lecture 7: Product Differentiation <i>Reading: WJ (Chapter 13) CP (Chapter 13)</i>
13	Lecture 8: Advertising <i>Reading: WJ (Chapter 14) CP (Chapter 14)</i>
14	Lecture 9: Vertical Integration and Vertical Relationships <i>Reading: WJ (Chapter 17) CP (Chapter 12)</i>
15	Lecture 9: Vertical Integration and Vertical Relationships <i>(Continued)</i>
16	Lecture 10: Technological Change, Research and Development <i>Reading: WJ (Chapter 15) CP (Chapter 16)</i>
17	Final Examination Tuesday, December 19, 2023 [09.00-12.00 hours]

Class rules and policies:

- Lectures will stress the most important issues addressed in the readings. You are responsible for all material covered in class and assigned readings. Lectures may go beyond the scope of the textbook. Therefore, it is important for you to attend and participate in class.
- There will be assignments as deemed appropriate to accommodate effective learning. Each assignment will be graded based on the quality of the analysis and the ability to apply the principles for proper decision.
- You are responsible for all announcements and changes made in class. However, there will be no make-up quiz and final examination without prior consent from the instructor. If a student has a legitimate, verifiable reason (e.g., doctor's note), a separate comprehensive examination will be given.

Important Dates:

Semester 1/2023 (August 15 – December 4, 2023)	
Classes Begin	August 15, 2023
Add-drop period	August 15 – 28, 2023 <i>(from 9.00 AM of August 15 to 10.30 PM of August 28)</i>
Tuition Fee Payment Period (Via TU Greats App)	August 15 – 29, 2023 <i>(9 AM - 10.30 PM)</i>
Mid-term Examination Period	October 1 – 7, 2023
<i>H.M. King Bhumibol Adulyadej The Great Memorial Day*</i>	<i>October 13, 2023</i>
<i>King Chulalongkorn's Day*</i>	<i>October 23, 2023</i>
Withdrawal period with "W" on record	September 4 – October 22, 2023 <i>(from 9.00 AM of September 4 to 10.30 PM of October 22)</i>
Special Withdrawal with "w" on record	October 24 – November 20, 2023
Last day of class for Semester 1/2023	December 4, 2023
Final exam period	December 12 – 23, 2023
<i>H.M. King Bhumibol Adulyadej The Great's Birthday*</i>	<i>December 5, 2023</i>
<i>Constitution Day*</i>	<i>December 10, 2023</i>
<i>Substitution for Constitution Day*</i>	<i>December 11, 2023</i>