



# B.E. International Program

## Faculty of Economics, Thammasat University



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### Course Syllabus

#### EE481 Industrial Economics

**Semester:** 1/2019 (August 13 – December 16, 2019)

**Number of credits:** 3 credits (3-0-6)

**Instructor:** **Asst. Prof. Dr. Wanwiphang Manachotphong**  
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**Class Schedule:** Wednesday and Friday, 14.00-15.30 hrs.

**Class Room:** Room , Faculty of Economics

#### Course Description:

The class studies behaviors of production unit and relationships among the units under different market structures by analyzing producer behavior, market structure, conduct and performance, the analysis of price theory using game theory as an analysis tool.

**Prerequisites:** EE311

#### Course Objectives:

The course would study behaviors of firms in imperfectly competitive markets. First, the class will start with the methodology used in this study such as S-C-P model and game theory. Then firm strategies in oligopoly market will be examined. The firm strategies would include both pricing and non-pricing strategies. In addition, some regulatory tools to prevent abuse of market-power and promote market efficiency will be covered.

## Teaching Materials:

### Required Textbooks:

1. Carlton and Perloff, Modern Industrial Organization, 4<sup>th</sup> edition, Addison-Wesley, 2005. **\*\* Main Textbook\*\***
2. Church and Ware, Industrial Organization: A Strategic Approach, McGraw-Hill, 2000. **\*\* Main Textbook for some chapters \*\*** (available online)
3. Rasmusen, Games & Information, 3<sup>rd</sup>. Edition, Backwell, 2001.
4. Tirole, Industrial Organization, The MIT Press, 1989.

### Other Readings:

1. Harvard Business review (<http://hbr.org>)

### Evaluation Methods

Homework and Pop Quizzes 10%

Short Essays 15%

(3 short essays after the mid-term examination. Only the best 2 counts. Topics will be on taught or on current industrial organization issues. 2-3 Students per essay)

Presentation 5% (Group of 5 ±1, presentations are in the last 2 classes)

Mid-term Examination 30% **(Wednesday, October 2, 2019; 12.00-14.00 hrs.)**

Final Examination 40% **(Wednesday, December 4, 2019: 09.00-12.00 hrs.)**

### Class Policy:

Late homework is not acceptable.

**Expected Learning Outcomes:****1. Morality and Ethics**

Applicability	Learning Goals
●	1.1 Students demonstrate integrity.
○	1.2 Students prioritize social and public benefits over personal ones.
●	1.3 Students are punctual and comply with the code of conduct of the institution and society at large.
○	1.4 Students are responsible and accountable to society, the nation, and the subject of economics.
○	1.5 Students realize the cultural and environmental value of the sustainable society.

**2. Knowledge**

Applicability	Learning Goals
●	2.1 Students know and understand modern economics principles and theories, and are up to date with new developments.
●	2.2 Students know and understand Thai and global economic structure, and the importance of major international economic events.
○	2.3 Students know and understand instruments of economic analysis.
●	2.4 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.
○	2.5 Students are informed about related fields including sociology, business administration, education, law policy, and science.

**3. Intellectual Development**

Applicability	Learning Goals
●	3.1 Students have developed individual critical thinking.
●	3.2 Students are sufficiently trained in research skills.
●	3.3 Students demonstrate an ability to analyze and synthesize data, as well as appropriately integrate economics concepts to understand causes of current economic problems in Thailand. Based on analysis and synthesis, students demonstrate an ability to propose policy guidelines to resolve problems.

#### 4. Interpersonal Skills and Responsibilities

Applicability	Learning Goals
●	4.1 Students are responsible for assigned tasks and work in groups effectively.
●	4.2 Students have problem-solving skills.
○	4.3 Students show leadership skills and team spirit.
●	4.4 Students are always improving themselves.
○	4.5 Students have good interpersonal skills, adapting and working under different conditions.

#### 5. Quantitative Analysis, Communication and Information Technology

Applicability	Learning Goals
○	5.1 Students select and apply appropriate statistical and mathematical methods for data processing, interpretation, conclusions, and recommendations to resolve problems.
●	5.2 Students communicate effectively and select appropriate presentation methods.
●	5.3 Students use information and communication technologies appropriately to gather data as well as process, interpret, and present results.

## Teaching Plan:

### Topics

1. Introduction and Theory
  - Overview **CP 1** or CW 1
  - The Firm and Cost / Theory of the Firm **CP 2** or CW 3
  
2. Dominant Firm
  - Dominant Firm **CP 4**

*\*You should have learned about monopoly already from EE311.*
  
3. Game Theory
  - Static Games **R 1, 2, 3**
  - Dynamic Games **R 4, 5, 6**
  
4. Oligopoly
  - Cartel **CP 5**
  - Cournot model **CP 6** or CW 8.2
  - Bertrand model **CP 6** or CW 8.3
  - Multi-period Models of Oligopoly **CP 6** or CW 10
  - Industry Structure and Performance **CP 8**
  
5. Business Practices Strategies and Conduct
  - Price Discrimination **CP 9, CP 10**
  - Strategic Behavior **CP 11**
  - Vertical Integration and Vertical Restrictions **CP 12**
  
6. Government Policies
  - Antitrust **CP 19** or CW 19
  - Regulation **CP 20** or CW 24
  
7. Other Issues (if time allows, we will study some of these topics)
  - Production Differentiation **CP 7** or CW 11
  - Advertising **CP 14** or CW 17
  - Information **CP 13**
  - R&D and Patent **CP 16** or CW 18

## Remarks:

- ◆ Mid-Term Examination (Wednesday, October 2, 2019, 12.00 - 14.00 hrs.)
- ◆ Final Examination (Wednesday, December 4, 2019, 09.00 – 12.00 hrs.)

Event	Semester 1 (August - December 2019)
Pre-Registration period (BE Portal)	July 8 - 10, 2019
Course Registration (Reg TU)	July 23 - 26, 2019
Payment	July 23 - 29, 2019
Classes Begin	August 13, 2019
Adding and Dropping Courses W/O Record	August 13 - 26, 2019
Payment	August 13 - 27, 2019
Mid-term Examination Period	September 30 - October 5, 2019
<i>His Majesty the late King Bhumibol Adulyadej Memorial Day*</i>	<i>October 13, 2019</i>
<i>Substitution for His Majesty the late King Bhumibol Adulyadej Memorial Day*</i>	<i>October 14, 2019</i>
Course Withdrawal With "W"	October 16 - 21, 2019
<i>King Chulalongkorn Memorial Day*</i>	<i>October 23, 2019</i>
Last Day of Classes	December 1, 2019
Final Examination Period	December 2-4, 6-9, 11-16, 2019
<i>The birthday of His Majesty the late King Bhumibol Adulyadej*</i>	<i>December 5, 2019</i>
<i>Constitution Day*</i>	<i>December 10, 2019</i>

Remark:

\* Holiday, No classes during this period