

Course Outline

EE481 Industrial Economics

Semester 2/2020 (January 20 - May 19, 2021)

Number of credits: 3 credits

Lecture Time: Wednesday and Friday, 14.00-15.30

Lecture Venue: Google Meet (class ID will be announced 10 mins thru Line Group before each class)

Instructors: Assoc. Prof. Dr.Chanin Mephokee
Office Room: Room 450, Faculty of Economics
Office hours: by appointment
Contact Information: chanin@econ.tu.ac.th

1. Course Description:

Prerequisites: EE311

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.

2.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.

3. Teaching Materials:

3.1 Required Textbooks:

1. Carlton and Perloff, Modern Industrial Organization, 4th edition, Addison-Wesley, 2005.
2. Church and Ware, Industrial Organization: A Strategic Approach, McGraw-Hill, 2000.
3. Rasmusen, Games & Information, 3rd. Edition, Backwell, 2001.
4. Tirole, Industrial Organization, The MIT Press, 1989.

3.2 Recommended readings:

1. Dixit, A., "a Model of duopoly suggesting a theory of entry barriers," The Bell Journal of Economics, 10 No.1, 20-32, 1979.
2. Kreps and Wilson, "Reputation and Imperfect Information", Journal of Economic Theory, 27, 253-279, 1982.
3. Milgrom and Roberts, "Price and Advertising Signals of Product Quality", Journal of Political Economy, 94 No.4, 1986.
4. Nevo and Wolfram, "Why do manufacturers issue coupons? An empirical analysis of breakfast cereals", RAND Journal of Economics, 33 No.2, 319-339, 2002.

3.3. Other Readings:

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

4. Teaching Plan:

Week	Topics	
1	Theory of Business What is Strategy	Peter Drucker, Theory of Business, HBR M Potter, What is strategy?, HBR
2	Market and Market Analysis	CP1, CP8 Church & Ware 1 and 12
3	Review Game Theory	CH 2 Church & Ware 7,8,9,10 R1-6
4	Oligopoly Models:	CP5
5	Pricing Strategies: Price Discrimination and Two-part Tariff	CP6 Tirole 5
6	Pricing Strategies: Predatory Pricing and Limit Pricing	CP7
7	Is pricing a quality signal?	F. Allen, Reputation and Product Quality Rao, Bergen and Davis, How to fight a price war, HBR
8	Product Quality	Tirole 2
9	Production Differentiation	CP7

10	Entry Barrier	Krep and Wilson
11	Advertising	CP14 Tirole 2
12	Vertical Integration and Vertical restriction	CP12 Tirole 4
13	R&D and Intellectual Property Rights Protection	CP16 Tirole 10
14	Competition Policies and anticompetition behaviors	CP19-20
15	Disruptive Technology	Guest speaker

* All classes are taught by Associate Prof. Chanin Mephokee

5. Evaluation Methods:

Term Paper	30%
Homework	20%
Final Examination	50% (Take home)

6. Other Details: Academic Calendar

Classes Begin: January 20th

Last Day of Classes: May 19th

Line Group:



ACADEMIC CALENDAR & HOLIDAY

Semester 2/2020

(January 20 – May 19, 2021)

Activities	Time Period
Classes Begin	January 20, 2021
Add-drop period	January 25 – 29, 2021
Tuition payment period	January 30 – February 2, 2021
<i>Makha Bucha Day*</i>	<i>February 26, 2021</i>
Mid-term Examination Period	March 10 – 16, 2021
Withdrawal period with “W” on record	March 24 – May 6, 2021
<i>Chakri Memorial Day*</i>	<i>April 6, 2021</i>
<i>Songkran Day Festival*</i>	<i>April 12 – 18, 2021</i>
<i>Substitution for Visakha Bucha Day*</i>	<i>April 26, 2021</i>
<i>Coronation Day*</i>	<i>May 4, 2021</i>
<i>Royal Ploughing Ceremony Day*</i>	<i>May 11, 2021</i>
Last day of class	Wed, May 19, 2021
Final exam period	May 20 – June 5, 2021
<i>Visakha Bucha Day*</i>	<i>May 26, 2021</i>
<i>Queen Suthida's Birthday*</i>	<i>June 3, 2021</i>

** Public Holiday, No classes during this period*