



B.E. International Program

Faculty of Economics, Thammasat University



Course Syllabus

EE481 Industrial Economics

Semester: 1/2018 (August 14 – December 3, 2018)

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

Instructor: **Asst. Prof. Dr. Wanwiphang Manachotphong (Section 046401)**

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Class Schedule: Wednesday and Friday, 14.00-15.30 hrs. (Section 046401)

Class Room: Room 302, 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, 4th 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, 3rd. 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 3, 2018; 15.00-17.00 hrs.**)

Final Examination 40% (**Sunday, December 9, 2018: 09.00-12.00 hrs.**)

Class Policy:

Late homework counts as 50% of total points earned.

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 3, 2018, 15.00 - 17.00 hrs.)
- ◆ **Final Examination** (Sunday, December 9, 2018, 09.00 – 12.00 hrs.)

 ACADEMIC CALENDAR SEMESTER 1/2018	
Event	Semester 1 (August - December 2018)
Pre-Registration period (BE Portal)	June 27 - 29, 2018
Course Registration (Reg TU)	July 16 - 19, 2018
Payment	July 16 - 20, 2018
Classes Begin	August 14, 2018
Adding and Dropping Courses W/O Record	August 14 - 27, 2018
Payment	August 14 - 28, 2018
Mid-term Examination Period	October 1 - 6, 2018
<i>His Majesty the late King Bhumibol Adulyadej Memorial Day*</i>	<i>October 13, 2018</i>
<i>Substitution for His Majesty the late King Bhumibol Adulyadej Memorial Day*</i>	<i>October 15, 2018</i>
Course Withdrawal With "W"	October 17 - 22, 2018
<i>King Chulalongkorn Memorial Day*</i>	<i>October 23, 2018</i>
Last Day of Classes	December 3, 2018
Final Examination Period	December 4, 6 - 9, 11 - 20, 2018
<i>The birthday of His Majesty the late King Bhumibol Adulyadej*</i>	<i>December 5, 2018</i>
<i>Constitution Day*</i>	<i>December 10, 2018</i>

Remark:
* Holiday, No classes during this period