BACHELOR OF ECONOMICS
THAMMASAT UNIVERSITY

Course Outline

Course ID: EE481 INDUSTRIAL ECONOMICS

Semester 1/2021 (August 9 – November 27, 2021)

Number of Credit: 3 Credits

Prerequisite: EE311

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.

Course Objectives: The course introduces behaviors of firms in imperfectly competitive markets. First, it will cover the standard methodology required for the analysis of firm behaviors, namely the Structure-Conduct-Performance (SCP) theory and game theory. Then, it will examine firm strategies in oligopoly markets. In addition, the course will cover some regulatory tools to prevent abuse of dominant position and to promote market efficiency.

Class Time and Logistic

Class day: **Wednesday and Friday**

Class time: **2:00 PM – 3:30 PM**

Teaching Materials Platform: BE Moodle

Meeting Platform: [Zoom – meeting ID: 982 606 9955, passcode: 425481]

Instructor:

Name: Asst.Prof.Dr.Wanwiphang Manachotphong

Office Hours: By appointment

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Phone: 081-021-5664

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Main Text: Carlton, D.W. and J.M. Perloff, ***Modern Industrial Organization***, 4th ed., Addison-Wesley, 2005. **(CP)**

Recommended Texts & Materials: Church, J. and R. Ware, ***Industrial Organization: A Strategic Approach***, McGraw-Hill, 2000. ** **Main Textbook for some chapters** ** **(CW)** (available online)

Suggested Readings:

1. Rasmusen, E., ***Games & Information***, 3rd. ed., Blackwell, 2001. **(R)**
2. Tirole, J., ***Industrial Organization***, The MIT Press, 1989.
3. Harvard Business review (http:/hbr.org)
4. General Newspaper

Grading Criteria:

Homework and Essays 20%
Presentation 10% **(Due on December 15, 2014 right before the Final Exam)**
Midterm Exam 30% **(Friday October 1, 2021, 12.00 – 14:00 hrs.)**
Final Exam 40% **(Wednesday December 1, 2021, 13:30 – 16:00 hrs.)**
***Late homeworks count as 50% of your actual marks.**
*If there is any handout or additional reading, it will be posted on Moodle prior to class. Students are responsible to review the topic ahead of the class for more effective learning.

Tentative Class Schedule:

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