



Course Outline

EE481 Industrial Economics

Semester 1/2024 (August 13 - December 2, 2024)

Lecture Time: Wednesday, 13.00-16.00 hours

Lecture Venue: Conference Room, 5th fl.

Teaching Materials Platform: Google Classroom, class code: nldcpsd

Instructor:

Name: Dr. Pimwilai Kijjanapanich

Office Hours: Friday, 13.00-14.00 or by appointment at Room 512,
Faculty of Economics, Tha Prachan Campus

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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

Student Evaluation:

| | |
|----------------------|-----|
| Assignments | 10% |
| Project | 15% |
| Mid-term examination | 35% |
| Final examination | 40% |

Main Text:

1. Carlton, D.W. and J.M. Perloff, **Modern Industrial Organization**, 4th ed., Addison-Wesley, 2005. **(CP)**
2. 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

Teaching Plan:

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

Tentative Learning Activities:

| Class No. | Date | Topics |
|---|--------|--|
| 1 | Aug 14 | Introduction and Theory |
| 2 | Aug 21 | Dominant Firm |
| 3 | Aug 28 | Game Theory |
| 4 | Sep 4 | Oligopoly |
| 5 | Sep 11 | Industry Structure and Performance |
| 6 | Sep 18 | Price Discrimination |
| 7 | Sep 25 | Price Discrimination |
| Midterm Examination: Wednesday, October 2, 2024; 12.00-14.00 | | |
| 8 | Oct 9 | Strategic Behavior |
| 9 | Oct 16 | Vertical Integration and Vertical Restrictions |
| 10 | Oct 23 | Public holiday (No class) |
| 11 | Oct 30 | Production Differentiation |
| 12 | Nov 6 | Information and Advertising |
| 13 | Nov 13 | R&D and Patent |
| 14 | Nov 20 | Student Presentation |
| 15 | Nov 27 | Student Presentation |
| Final Examination: Thursday, December 12, 2024; 09.00-12.00 | | |

Important Dates

Add-Drop period

August 13-26, 2024

Midterm

Wed., October 2, 2024; 12.00-14.00

Final

Thu., December 12, 2024; 09.00-12.00

Last day for course withdrawal

October 20, 2024