



B.E. International Program

Faculty of Economics, Thammasat University



Course Syllabus

EE481 Industrial Economics

Semester: 2/2018 (January 14 – May 12, 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 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 $\pm$ 1, presentations are in the last 2 classes)

Mid-term Examination 30% **(Wednesday, March 6, 2019; 15.00-17.00 hrs.)**

Final Examination 40% **(Wednesday, May 15, 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, March 6, 2019, 15.00 - 17.00 hrs.)
- ♦ Final Examination (Wednesday, May 15, 2019, 09.00 – 12.00 hrs.)



ACADEMIC CALENDAR SEMESTER 2/2018

Event	Semester 2 (January - June 2019)
Pre-Registration period (BE Portal)	October 29 - November 1, 2018
Course Registration (Reg TU)	November 20 - 23, 2018
Payment	November 20 - 26, 2018
Classes Begin	January 14, 2019
Adding and Dropping Courses W/O Record	January 14 - 28, 2019
Payment	January 14 - 29, 2019
<i>Makha Bucha Day*</i>	<i>February 19, 2019</i>
Mid-term Examination Period	March 4 - 9, 2019
Course Withdrawal With "W"	March 20 - 25, 2019
<i>Chakri Memorial Day*</i>	<i>April 6, 2019</i>
<i>Substitution for Chakri Memorial Day*</i>	<i>April 8, 2019</i>
<i>Songkran Festival Day*</i>	<i>April 12 - 18, 2019</i>
Last Day of Classes	May 12, 2019
Final Examination Period	May 13 - 17, 21 - 30, 2019

Remark:

* Holiday, No classes during this period