

School of Economics and Finance

## **ECON 211 INDUSTRIAL ORGANISATION**

Trimester Two 2011

### **COURSE OUTLINE**

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#### **Names and Contact Details**

##### Lecturer- coordinator

Jack Robles

Room RH 317

Office Hours: Thursday 1-3 or by appointment.

Tel: (04) 463-7492

Mail Box: Mezzanine Floor, RH, **Box # 72**

Email: [jack.robles@vuw.ac.nz](mailto:jack.robles@vuw.ac.nz)

##### Tutor

Amanda Cameron

Mezzanine Floor, RH, **Box # 71**

#### **Class Times and Room Numbers**

##### Lecture Times and Location

Tuesday & Thursday: 11:30am - 12.20pm in GB LT 4

##### Tutorial Times and Location

Friday 11:30 in RHG01 and 12:40 in RHG02

There are NO tutorials in weeks 1,2, 5, and 8 (15 July, 22 July, 12 August. and 16 September.)

#### **Assessment Requirements**

The assessment for the course consists of two assignments, a test, and a final examination.

|                     |     |                                 |
|---------------------|-----|---------------------------------|
| Assignment 1        | 10% | Thursday, August 18             |
| Assignment 2        | 10% | Thursday, October 13            |
| Test (1 hour)       | 30% | 8 September at 6:30pm in RHLT 2 |
| Final Exam (2 hour) | 50% | Date TBA                        |

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

**Mandatory Course Requirements** There are no mandatory course requirements.

## Penalties

Assignments are to be placed in Mezzanine Floor mail **Box # 71** (Amanda's box) by 5PM of the due date. Assignments will not be accepted more than 1 week late, and will have 5% deducted per day (rounded up) late. Late assignments must be dated by an SEF staff member.

## Course Content

- I Introduction to Industrial Organisation
- II The (Vanilla) Firm, and Perfect Competition
- III Monopoly and US Public Policy
- IV Game Theory
- V The Dominant Firm
- VI Cournot, Stackelberg and Bertrand Oligopoly
- VII Conscious Parallelism and Collusion
- VIII Hydro-Power and the Electricity Market
- IX Product Variety: Location models and Differentiated Product Price Competition
- X Research and Development
- XI Vertical Integration

## Readings

*There is NO Required Textbook. Useful texts include:*

- Cabral, Luis M.B. *Introduction to Industrial Organisation* (MIT Press)
- Carlton, D. and Perloff, J., *Modern Industrial Organization*, 3rd ed. Addison Wesley 2000.
- Martin, S., *Industrial Organization: Economic Analysis and Public Policy*, 2<sup>nd</sup> ed. Prentice Hall 1993.
- Kwoka, J. and White, L., *The Antitrust Revolution: The Role of Economics*, 2<sup>nd</sup> ed. Harper Collins 1994
- Perloff, J. *Microeconomics*, 4<sup>th</sup> ed. Addison-Wesley

## Trimester Dates

Teaching Period: Monday 11 July – Friday 14 October

Study Period: Monday 17 October – Thursday 20 October

Examination Period: Friday 21 October – Saturday 12 November (inclusive)

Enrolled students should be able to attend an examination at the University at any time during the examination period.

## Withdrawal from Courses:

Your fees will be refunded if you withdraw from this course on or before 22 July 2011.

The standard last date for withdrawal from this course is 23 September. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an 'Application for Associate Dean's Permission to Withdraw Late' including supporting documentation

The application form is available from either of the Faculty's Student Customer Service Desks.

## Course Learning Objectives

In this course, economic theory and case studies are used to understand the organisation of firms, industries and markets. We draw on game theory, information theory, and the application of economics to legal issues.

By the end of this course, students should be able to:

- Articulate economic explanations of firms and public bodies, industry and market performance and organisational structures;
- Apply game theory and transactions cost analysis to industrial organisation issues;
- analyse the effects of dominant and oligopoly firms;
- analyse monopoly and price regulation;
- analyse the role and implementation of competition law.

### **Course Delivery**

Course will be delivered by means of lectures and tutorials.

### **Expected Workload**

This is a 15 point course which implies a workload = 150 hours. Hours expected per week = 19 (over 13 weeks), or 20 (over 12 weeks). This is a guide only and individual students should not feel constrained by it.

### **Class Representative**

A class representative will be elected in the first class, and that person's name and contact details will be available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

### **Communication of Additional Information**

Notices and other additional information will be notified in class and provided on Blackboard.

**For the following important information follow the links provided:**

#### **Academic Integrity and Plagiarism**

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

#### **General University Policies and Statutes**

<http://www.victoria.ac.nz/home/about/policy>

#### **AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support**

[http://www.victoria.ac.nz/home/about\\_victoria/avcacademic/Publications.aspx](http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx)

#### **Faculty of Commerce and Administration Offices**

<http://www.victoria.ac.nz/fca/studenthelp/>

#### **Manaaki Pihipihinga Programme**

[http://www.victoria.ac.nz/st\\_services/mentoring/](http://www.victoria.ac.nz/st_services/mentoring/)