

School of Economics and Finance

ECON 211 INDUSTRIAL ORGANISATION

Trimester Two 2014

COURSE OUTLINE

Names and Contact Details

Lecturer- coordinator-Tutor

Jack Robles

Tel: (04) 463-7492

Email: jack.robles@vuw.ac.nz

Room: RH 317

Mail Box: RH Mezzanine **Box #88**

Office Hours: Tuesday 12:30-2 or by appt.

Class Times and Room Numbers

Lecture Times and Location

Tuesday & Thursday: 3:40pm – 4:30pm in RH LT 3

Tutorial Times and Location

Fridays 10:30 (RWW 221) and 11:30 (RWW 220)

There are NO tutorials in weeks 1,2, 7, and 10 (July 18 and 25, Sept. 12, and Oct. 3)

Assessment Requirements

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

Assignment 1	10%	Thursday, August 21
Assignment 2	10%	Thursday, October 16
Test (1 hour)	30%	Tuesday, 9 September at 6:40pm in GBLT 1
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 academic audit. The findings may be used to inform changes aimed at improving the quality of VBS 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. If you cannot sit the final exam, then see www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat

Penalties

Assignments are to be placed in Mezzanine Floor mail **Box # 88** 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*, 2nd ed. Prentice Hall 1993.
- Kwoka, J. and White, L., *The Antitrust Revolution: The Role of Economics*, 2nd ed. Harper Collins 1994
- Perloff, J. *Microeconomics*, 4th ed. Addison-Wesley

Trimester Dates

Teaching Period: Monday 14 July – Friday 17 October

Study Period: Monday 20 October – Thursday 23 October

Examination Period: Friday 24 October – Saturday 15 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 25 July.

The standard last date for withdrawal from this course is 26 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:

- 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 = 11.5 (over 13 weeks), or 12.5 (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.

Prescription

Economic theory combines with empirical evidence in the study of the organisation of firms, industries and markets. The course draws on game theory, transaction cost analysis, information theory and the application of economics to legal issues.

Student feedback

Student feedback on University courses may be found at www.cad.vuw.ac.nz/feedback/feedback_display.php

Link to general information

For general information about course-related matters, go to <http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

Assessment

From Trimester 1, 2014, a revised Assessment Handbook will apply to all VUW courses: see <http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

In particular, there will be a new grade scheme, in which the A+ range will be 90-100% and 50-54% will be a C-.