

Syllabus

Name:			
Theoretische Industrieökonomik I --- Theory of Industrial Organization I			
Responsible: Prof. Toker Doganoglu, Ph.D.			
Professor Toker Doganoglu, Ph.D			
Program:	Type:	Term:	ECTS:
Master	Lecture	Winter	5 CP
Contents & Objectives:			
<p>Students which complete this class will acquire a working knowledge of theoretical models of competition in oligopoly markets as well as sophisticated pricing techniques in monopoly markets. They will learn the conditions under which the predictions of these models are valid. They will become familiar with applications of advanced game theoretic tools such as dynamic competition models and auction theory for studying interactions between firms in markets. By means of comprehensive exercises, they will apply the methods they learn in class to practically relevant problems. They will be in a position to read academic papers on related topics, assess the strengths and weaknesses of approach, summarize and comment on these papers and suggest possible extensions.</p>			
Prerequisites:			
<p>Students taking this class should be familiar with basic concepts in Microeconomics and Game Theory. This background is provided in the courses "Strategie und Wettbewerb I" and Mikroökonomik I and II. It would be ideal if they also have taken a class in Industrial Organization.</p>			
Course Structure:			
Week	Content		
1	I Monopoly Pricing I.a Nonlinear pricing and mechanism design		
2	I.b Dynamic pricing: experience goods, durable goods		
3	II Oligopoly pricing II.a Static price and quantity competition in homogeneous and differentiated goods markets		
4	II.b Comparative statics		
5	II.c Equilibrium market structure		
6	III Dynamic competition in Oligopoly Markets III.a Repeated games and collusion		
7	III.b Markov perfect equilibrium and models of dynamic competition		
8	IV Strategic behavior by incumbent firms IV.a Entry deterrence, predation		
9	IV.b Signaling and reputation		
10	V Auctions V.a Second price auctions		
11	V.b First price auctions		
12	VI Advertising and product design		

Literature:

Industrial Organization: Markets and Strategies, P. Belleflamme and M. Peitz, 2010, Cambridge University Press.

The Theory of Industrial Organization, J. Tirole, 1988, MIT Press. J. Tirole

Grading:
Take Home Exam
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