

Syllabus

Name:			
Strategic Decisions and Competition			
Responsible:			
Professor Toker Doganoglu, Ph.D, Chair of Industrial Economics			
Program:	Type:	Term:	ECTS:
Master	Lecture	Winter	5 CP
Contents & Objectives:			
<p>After successful completion of this class, the students should be familiar with industrial organization models that can be used to shape managerial strategy and aid in making decisions in strategic situations. Especially, by making use of simple two stage games, they should be able to formulate dynamic policies in a wide variety of strategic situations. The students will acquire an intuitive understanding of the underlying economic mechanisms which emerge from the analysis of game theoretic models of competition. They will become familiar with a wide variety of pricing strategies and market segmentation methods as well as non-price strategies firms may use. Moreover, they will acquire skills which enable them to make predictions in strategic situations by making use of simple mathematical models. By means of completing case based exercises, they will learn to transform real life business situations to an appropriate economic model. Based on an analysis of this model, they will be able to devise optimal strategies and derive the corresponding managerial implications.</p>			
Prerequisites:			
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 II ".			
Course Structure:			
Week	Content		
1	I Monopoly pricing and advanced pricing mechanisms I.a Basics of monopoly pricing I.b Principals of price discrimination		
2	I.c Nonlinear pricing		
3	II Analyzing strategic situations with game theory II.a Noncooperative simultaneous move games II.b Nash equilibrium		
4	III Oligopoly competition III.a Homogeneous goods markets: Cournot and Bertrand competition III.b Differentiated goods markets		
5	IV Dynamic and Repeated Games IV.a Two(-multi) stage games and subgame perfect equilibrium IV.b Role of commitment in dynamic situations		
6	V Vertically related markets and contracts V.a The double marginalization problem V.b Vertical integration and mergers V.c Vertical contracting, common contractual forms		

7	VI Market structure, mergers and acquisitions and strategic behavior of incumbent firms VI.a Entry and market size VI.b Mergers and acquisitions VI.c Entry deterrence and predation
8	VII Network Effects and standards, platform markets VII.a Demand with network effects VII.b Compatibility and standards VII.c Competition in markets with network effects
9	VII.d Multisided markets and platform pricing VII.e Competition in platform markets
10	VIII Advertising and competition VIII.a Price and advertising in monopoly VIII.b Competitive models of advertising VIII.c Informative and persuasive advertising
11	IX Innovation and competition IX.a Intellectual property protection IX.b R & D investments in competition
12	IX.c Licensing

Literature:**TBA****Grading:****TBA****Contact:**Professor Toker Doganoglu, PhD. (Toker.Doganoglu@uni-wuerzburg.de)Firat Inceoglu, Ph.D. (Firat.Inceoglu@uni-wuerzburg.de)