SUBJECT DATASHEET

INDUSTRIAL ORGANIZATION

BMEGT30N002

I. SUBJECT DESCRIPTION

1. SUBJECT DATA

Subject name
INDUSTRIAL ORGANIZATION

ID (subject code)	BMEGT30N002

Type of subject
Contact lessons

Course types and lessons

Type	*Lessons*
Lecture	4
Practice	0
Laboratory	0

Type of assessment
exam grade

Number of credits
6

Subject Coordinator

Name	*Position*	*Contact details*
Dr. Dobos Imre	professor emeritus	dobos.imre@gtk.bme.hu

Educational organisational unit for the subject
Department of Economics

Subject website
https://edu.gtk.bme.hu

Language of the subject
angol - ENG

Curricular role of the subject, recommended number of terms

Direct prerequisites

Strong	None
Weak	None
Parallel	None
Exclusion	None

Validity of the Subject Description
Approved by the Faculty Board of Faculty of Economic and Social Sciences, Decree No: 580005/7/2022. Valid from: 26.01.2022.

2. OBJECTIVES AND LEARNING OUTCOMES

Objectives

The main objective of the course is to get students acquainted with the basic theories of different market structures and their potential applications to practical problems related to efficiency, welfare, market strategy and regulation. Both the course material and the recommended textbook are accessible to students without a profound maths background (we use simple algebraic models or basic game theory), but we assume that the students are already familiar with the basic concepts and tools of microeconomics.

Academic results

Knowledge

1. the main concepts of industrial organization, including the structure-conduct-performance paradigm
2. cost and production functions of multi-product firms, economies of scale and scope (their measurement and impact on market structures), measures of industry concentration
3. basic models of non-cooperative oligopolies (e.g. Cournot, Bertrand and Stackelberg competition)
4. the main concepts of cooperative and non-cooperative strategic behaviour (collusion, mergers, predatory conduct etc.) and some basic models (trigger strategy, limit pricing [Bain-Sylos model])
5. basic models of horizontal product differentiation (models of Chamberlin, Hotelling and Salop)
6. the most important features and ramifications of price discrimination (linear and non-linear pricing), bundling and tying

Skills

1. plan and organize independent learning,
2. comprehend and use the professional literature of the topic,
3. grasp the professional language in writing and speech,
4. recognize and solve practical problems.

Attitude

1. are open to learn and adapt the tools and concepts of industrial organization,
2. collaborate with their instructors and fellow students during the learning process,
3. gain knowledge and information,
4. are open to critical thinking.

Independence and responsibility

1. are open to accept reliable critical remarks,
2. are able to solve practical problems independently.

Teaching methodology

Lectures and written communication, use of ICT tools and techniques.

Materials supporting learning

- Norman, G., Pepall, L., Richards, D. J., Piacelmélet – Modern megközelítés gyakorlati al-kalmazásokkal. HVG-ORAC Lap- és Könyvkiadó, 2008.
- Az előadások prezentációinak anyaga, ami a félév során folyamatosan fog feltöltésre kerülni.
- Norman, Pepall and Richards, Industrial Organization – Theory and Practice.
- Slideshows of the lectures which will be uploaded continuously during the semester.

II. SUBJECT REQUIREMENTS

TESTING AND ASSESSMENT OF LEARNING PERFORMANCE

General Rules

Assessment of the learning outcomes described under 2.2. is based on one partial assessment during the term (a presentation) and a summative assessment (written exam) in the examination period.

Performance assessment methods

A. Detailed description of assessments during the term and the examination period: 1. Partial assessment during the term (presentation): In-class presentations (that are required for the 'Signed' mark [indicating a student's eligibility to sign up for an exam]) should not be longer than 15 minutes and they will occur at the beginning of the lectures. Each student must prepare a slideshow and a draft on its analysis that should be submitted before the presentation. 2. Summative assessment during the exam period (written exam): Students take their written end-term test (exam) in the examination period, which consists of multiple choice questions and calculations.

Percentage of performance assessments, conducted during the study period, within the rating

- **partial assessment during the term (presentation)**: 20%
- **summative assessment (exam) in the examination period**: 80%

Percentage of exam elements within the rating

Conditions for obtaining a signature, validity of the signature

Issuing grades

Excellent	90
Very good	85–90
Good	70–84
Satisfactory	55–69
Pass	40–54
Fail	40

Retake and late completion

1) Late completion of the presentations should be concluded until the end of the late completion period. 2) The exam can be retaken in the examination period (according to the rules of the CoS [Code of Studies]).

Coursework required for the completion of the subject

Participation in contact lessons	14×4=56
Preparing the presentation and its draft	24
Preparing for the exam	100
total	180

Approval and validity of subject requirements

0

III. COURSE CURRICULUM

THEMATIC UNITS AND FURTHER DETAILS

Topics covered during the term

Subject includes the topics detailed in the course syllabus to ensure learning outcomes listed under 2.2. can be achieved. Timing of the topics may be affected by calendar or other circumstances in each semester.

1 Introduction to IO
2 Costs and Market Structure
3 Monopoly pricing
4 Product- and Pricing Policies of the Multi-Product Monopoly
5 Strategic behaviour
6 Oligopoly
7 Monopoly Power and Predatory Conduct I.
8 Monopoly Power and Predatory Conduct II.
9 Cartels and Collusion
10 Mergers
11 Vertical Relations and Restraints
12 Advertisement and Information I.
13 Advertisement and Information II.
14 Summary of the Course
15 Make-up Presentations in the Late Completion Period

Additional lecturers

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Approval and validity of subject requirements

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