

Course Descriptions Master 2015-2016

Course Title Market Regulation & Information Economics
 Course Code EBC4192
 ECTS Credits 6,5
 Assessment Whole/Half Grades

| Period | Start | End | Mon | Tue | Wed | Thu | Fri |
|--------|------------|------------|-----|-----|-----|-----|-----|
| 2 | 26-10-2015 | 18-12-2015 | | X | | X | |

Level Advanced

Coordinator Chris Woolnough For more information: c.woolnough@maastrichtuniversity.nl

Language of instruction English

Goals The course aims primarily to explain when and how markets fail to reach an efficient outcome, and how such market failures can result in the need for regulatory intervention. The first part of the course will deal with the classical theory of regulation. The second part will focus on the role of information, in particular those aspects of regulation that have been considerably improved by the (relatively) recent developments in information economics. Throughout, the course will place an emphasis on how these issues play out in specific industries, such as the telecommunications industry, spectrum auctions and copyright in the music/software industry. Participants will learn to identify market failures, from both the classical and informational perspectives, and to critically assess the policy implications and responses that result.

Description The first part of the course will cover key concepts in the classical theory of regulation – such as natural monopoly, externalities, the provision of incentives to innovate – and the common regulatory responses. These issues will be applied to a number of industry case studies, such as the telecommunications industry and the music/software industry. Following the development of the classical theory of regulation, the course will move on to the role of information economics in regulation. The course will focus on three dimensions of information economics: screening and adverse selection, moral hazard and the allocation of public resources. These dimensions will be applied to the issue of regulating a monopolist with unknown cost, regulating the banking industry and the recent 3G spectrum auctions.

Literature

Prerequisites Advanced Microeconomics (EBC4201) or equivalent.
 Some of the topics covered by this course are taken up by strategic firm behavior and competition policy (EBC4194)

Teaching methods PBL

Assessment methods Final Paper / Participation / Written Exam

Evaluation in previous academic year For the complete evaluation of this course please click <http://iwio-sbe.maastrichtuniversity.nl/rapporten.asp?referrer=codeUM>

This course belongs to the following programme / specialisation

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|--|--------------------------|
| Master Economics | Competition & Regulation |
| Master Economics | Electives |
| Master Information and Network Economics | Economics Electives |