

Course Descriptions Exchange 2017-2018

Course Title Industrial Economics
 Course Code EBC4007
 ECTS Credits 6,5
 Assessment Whole/Half Grades

Period	Start	End	Mon	Tue	Wed	Thu	Fri
4	5-2-2018	6-4-2018	X		X		

Level Advanced

Coordinator Andrés Perea y Monsuwé, Chris Woolnough For more information: a.perea@maastrichtuniversity.nl; c.woolnough@maastrichtuniversity.nl

Language of instruction English

Goals The goal of this course is to show how various situations of competition between firms can be modeled, and how game theoretic tools can be used to analyze these models. It provides an excellent basis for doing research in industrial economics or a related field, but is also essential outside the academic world, for instance in managerial decision making or competition policy.

Description Industrial economics studies the competition between firms in various disguises: competition in prices, competition in quantities, product differentiation, price discrimination, entry and exit, and combinations of these. The crucial question is always: As a manager of the firm, what decision would you take, and why? In this course we show how to set up such models of competition between firms, both in a static and a dynamic setting. We also show that these models can be successfully analyzed by using tools from game theory, such as Nash equilibrium and subgame perfect equilibrium. It is no surprise that game theory plays an important role here, since in order to make a good decision for your own firm you must reason about the decisions of the other firms. That is exactly what game theory is about. This beautiful marriage between economics and game theory will be at the center stage of this course.

Literature "Industrial Organization: Markets and Strategies" by Paul Belleflamme and Martin Peitz, Cambridge University Press, Cambridge, 2015 (second edition).

Prerequisites A good understanding of micro economics, and a basic knowledge of game theory.

Teaching methods PBL / Lecture

Assessment methods 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

Master Business Research	Free Electives
Master Business Research Track OR	Free Electives
Master Econometrics and OR	Econometrics & OR Electives
Master Econometrics and OR	Mathematical Economics
Master Economic and Financial Research Track Econometrics	Electives
Master Economic and Financial Research Track Econometrics	Track Econometrics Core Courses
Master Economic and Financial Research	Electives
SBE Exchange Master	Master Exchange Courses
SBE Non Degree Courses	Master Courses