

ECON 3480 Industrial Organization Fall 2023

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Office Hours: Wed 11:30 am – 1:30 pm or by appointment

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Lecture Time: Wed 8:30 am – 11:15 am, FYB LT4

Course Objectives and Learning Outcomes

The course applies microeconomic theories to the study of the organization of firms, industries, markets, and firm behaviors. It emphasizes strategic interactions among firms as ways to characterize firm behaviors: price setting, entry and exit decisions, vertical integration, research and development, etc. This approach also draws implications on the effects of government policies, including regulations and competition policies.

On completion of this course, students should be able to understand the theories in industrial organization, and apply creatively the theories to understand firms' interactions.

References and Learning Resources

Reading materials of this course will be mainly based on the lecture handouts, which will be uploaded regularly at the Blackboard: <https://blackboard.cuhk.edu.hk>

Cabral (2017), [Introduction to Industrial Organization](#), MIT Press

Waldman and Jensen (2019), [Industrial Organization: Theory and Practice](#), Routledge

Exercises (problem sets) will also be uploaded regularly at the Blackboard to facilitate learning, students are highly encouraged to work on the exercises.

Assessment

Mid-term Exam 40% In-Class, Oct 25

Final Exam 60% University Centralized Exam Period: Dec 6 to Dec 22

→ Make-up exam will never be provided. Absence must lead to zero point.

Teaching Schedule (Tentative)

1. Introduction and Theory of Firm
2. Market Structure and Mergers
3. Game Theory and Collusion
4. Price Discrimination
5. Product Differentiation and Advertising
6. Vertical Relations
7. Entry Deterrence: Pricing Strategies
8. Entry Deterrence: Non-pricing Strategies
9. Networks and Standards
10. Research and Development

Academic Honesty

The University adopts a zero-tolerance policy on cheating and plagiarism. Any related offence will lead to disciplinary action including termination of studies at the University. Details can be found at: <http://www.cuhk.edu.hk/policy/academichonesty>