



UNIVERSITY OF PIRAEUS

FACULTY/SCHOOL	School of Economics, Business and International Studies		
DEPARTMENT	Department of Economics		
LEVEL OF STUDY	Undergraduate		
COURSE UNIT CODE	OKOIK41	SEMESTER	7
COURSE TITLE	INDUSTRIAL ECONOMICS I		
INDUSTRIAL ECONOMICS I	4	CREDITS (ECTS)	6
COURSE TYPE	General Knowledge		
PREREQUISITE COURSES	-		
INSTRUCTION LANGUAGE	Greek	ASSESSMENT LANGUAGE	Greek
OPEN TO ERASMUS	Yes		

LEARNING OUTCOMES	<p>The main aim of this course is to examine the organization and dynamic functioning of markets, industries and businesses. Following the completion of the course, students will be able to:</p> <ul style="list-style-type: none">-Understand the functioning of oligopolistic sectors.-Recognize the strategies (i.e. pricing or non-pricing) applied by firms with significant market power to distort effective competition.- Analyze the design of current industrial organization policy measures.- Apply the quantitative tools in measuring significant market power. <p>This course examines the structure of the sectors and markets and explores their performance in relation to the strategic behavior of enterprises and related government policies. Strategic and business practices are also being studied in business-to-business relationships that affect competitiveness and market structure. In particular, the content of the course covers topics such as: the basic methodological framework of industrial organization analysis (Structure-Conduct-Performance), the objectives of modern enterprises, concentration of the market, entry and exit barriers, oligopolistic markets, economies scale and range of activities, modern corporate strategies based on game theory, collusion (cartels & cartels), pricing practices, horizontal and vertical integration, differentiation acts diversification, product diversification and advertising. The presentations of the different modules of the course are complemented by a review of empirical data and studies from the Greek and international literature and case studies reports. Upon successful completion of the course, students will have the opportunity to know and apply the theory of industrial economics to making strategic decisions of economic and business interest.</p>
GENERAL COMPETENCES	<p>Working in an interdisciplinary environment Critical thinking Decision-making Individual/Independent work Adapting to new situations Search for, analysis and synthesis of data and information by the use of appropriate technologies, Project planning and management Introduction of innovative research</p>
COURSE CONTENT	<ol style="list-style-type: none">1. Concepts and models of Industrial Organization (scope and relationship with other fields of economics, Structure-Conduct-Performance model, Chicago critique, etc).2. Overview of key microeconomics' concepts (demand and cost functions, consumer surplus, social welfare, social optimum, deviation from perfect competition, public regulatory intervention in oligopolistic markets, brief overview of market failures: monopoly power, externalities, public goods, imperfect information).3. Theory of the firm and entry barriers (theories of firms, objectives set by firms' directors and shareholders, information asymmetry, legal, structural and strategic type of entry and exit barriers).4. Concentration measures and their advantages and disadvantages5. Introduction to oligopolistic models with homogeneous and differentiated products (Bertrand competition, Cournot, Bertrand paradox and solutions, comparisons with monopoly and perfect competition, oligopolistic competition with first-mover advantage, Stackelberg model, Cartel model)6. Game Theory (prisoner's dilemma, static and dynamic games, Nash equilibrium, pure and mixed strategies, case studies)7. Entry deterrence strategies (pricing and non-pricing strategies).8. Advertising and diversification (horizontal and vertical diversification, Hotelling's model, advertising as a barrier to entry, Dorfman-Steiner model)9. Price discrimination (first, second and third degree, case studies)

	10. Vertical restraints (double marginalization problem, resale price maintenance, exclusive cooperation agreements, franchise payments, two part tariff, etc.).		
USE OF ICT IN TEACHING	Use of ICT in lectures and in the communication with students.		
COURSE DESIGN		Activity/Method	Semester workload
		Lectures	52
		Self-directed study	46
		Exercises	24
		Tutorials	26
		Final Exam	2
		Total	150
COURSE ASSESSMENT	Language of evaluation: Greek (English is used in cases of Erasmus+ students) Evaluation method: written essays and final examination (multiple choice and open-ended questions, exercises and theory evaluation).		
SUGGESTED BIBLIOGRAPHY	1) Luis Cabral «Industrial Organization» 2 nd edition, I. Fafaliou and M.Polemis, (editing), Kritiki Publishing, 2018. 2) Irene Fafaliou and Michael Polemis, «Modern Issues in Industrial Policy: Theory and Case Studies», Publisher E. Benou, Athens, 2016. - Related scientific journals: RAND JOURNAL OF ECONOMICS JOURNAL OF INDUSTRIAL ECONOMICS INTERNATIONAL JOURNAL OF INDUSTRIAL ORGANIZATION REVIEW OF INDUSTRIAL ORGANIZATION		