

Athens University of Economics and Business  
Department of Economics  
Master in Economic Theory  
Fall 2015

## INDUSTRIAL ORGANIZATION THEORY

### Description of the Course

We use the basic tools of microeconomic theory and game theory to examine the nature of strategic interaction among firms either within the same industry or across markets. More particularly, we analyze the market structure, firm conduct, and economic performance of imperfectly competitive industries. Of special interest is firms' strategic behaviour in price and non-price competition.

- We examine issues such as:
- Oligopoly pricing and production;
- Entry deterrence strategies and barriers to entry;
- Location strategies;
- Vertical and horizontal product differentiation;
- Advertising;
- Research and development;
- Price discrimination;
- Networks;
- Market equilibria with incomplete information.

### Textbooks:

1. Tirole, Jean, The Theory of Industrial Organization, MIT Press, 1988.
2. Oz Shy, Industrial Organization: Theory and Applications, MIT Press 1995.
3. Vives, Xavier, Oligopoly Pricing: Old Ideas and New Tools, MIT Press, 1999.
4. Belleamme, Paul and Martin Peitz, Industrial Organization: Markets and Strategies, Cambridge University Press, 2010.
5. Handbooks of Industrial Organization, volumes I-III.
6. Pepall, Richards and Norman, Industrial Organization: Contemporary Theory & Empirical Applications, Blackwell Publishing, 4th Edition, 2011.

7. Tremblay, Victor and Carol Tremblay, *New Perspectives on Industrial Organization*, 2012
8. Serfes, Konstantinos, *Lecture Notes in Industrial Organization*, 2012.

**Grading:**

There will be one mid-term exam and one final. I will also assign problem sets. Your final grade will be determined as follows: Midterm, 40% Final, 60%

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