ECO 3480 (Second Term, 2000-1)
Industrial Organization

Introduction

This course is open to all interested students. Training in micro theory at the basic level is highly desirable as it helps you put things in perspective and lets you appreciate the full importance of ideas.

We shall meet three times a week, once for a two-hour lecture, once for a one-hour lecture, and once for a one-hour tutorial (time and venue to be assigned). For the tutorials, the class will be broken up into smaller groups of ten to fifteen students. During tutorials, we’ll discuss the answers to the assignment problems.

The tutorial problems are in some cases open-ended. You are encouraged to reflect on the materials covered in the lectures and to tackle these problems with your own sense of reality. If you are looking for background materials, you may find the suggested references useful.

Your performance in tutorials will be graded. If you cannot attend a tutorial, you must hand in your tutorial work (which must be typewritten, at least two pages, double-spaced), otherwise no marks will be awarded. It must be stressed that, plagiarism (copying of others' work or allowing your work to be copied) is strictly forbidden. If detected, all students involved will be penalised.

Assessment

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Mid-Term Examination</td>
<td>30%</td>
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<tr>
<td>Tutorial</td>
<td>20%</td>
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<tr>
<td>Final Examination</td>
<td>50%</td>
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<td>Total</td>
<td>100%</td>
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*Mid-Term exam will be held on March 7, 2001
Final examination will cover the entire course.

Topics

1. Game Theory – one-shot games
2. Game Theory – repeated and dynamic games
3. Monopoly and Entry Deterrence
4. Implicit and Explicit Collusion among firms
5. Regulation, Deregulation and Privatisation
6. The Firm – emergence, objectives, structure, behaviour
Mid-Term Exam

7. Theory of Contracts

8. Business Integration

9. Principal-Agent Problem and Incentive Contracts

10. Corporate Decisions and Influence Activities

11. Case Study - Airline Industry (tentative)