



APPLIES TO ACADEMIC YEAR 2004/2005

GRA 1305 Industrial Economics and Competitive Strategy

Program

Master of Business and Economics Program, Master of Science in Business, Master of Science in Business (Economics), Master of Science in Management, Specialization Course

Responsible for the course

Dag Morten Dalen

Department

Economics

Term

According to study plan

ECTS Credits

6

Objective

The aim of this course is to give the students a comprehensive understanding of modern theory of industrial organization and competitive strategy. The main focus is on strategic interaction among firms in a market. In markets with a limited number of firms, the firms are aware of the interdependence of their actions in the market place. Each firm takes into account its rivals' responses on its own behaviour. Hence, a firm needs to "put itself in its rival's shoes" before its can work out the best strategies. The analytical approach to the study of strategic interaction is game theory. We study issues like entry deterrence, price wars, patent races, price-fixing conspiracies and mergers.

Prerequisites

Economics 1-3 (undergraduate) ore equivalent and Intermediate microeconomics (may be taken in the same term) .

Compulsory literature

Church, Jeffery and Roger Ware. 2000. *Industrial Organization: A Strategic Approach* . Boston, Mass.: McGraw-Hill.
Published lecture notes.

Recommended literature

Tirole, Jean. 1988. *The theory of industrial organization* . Cambridge, Mass.: MIT Press.

Course outline

Monopoly pricing strategies
Product differensiation
Collusion and cartels
Mergers
Vertical relations
Research and development

Computer-based tools

Blackboard/homepage

Course structure

36 hours of lectures and class discuss

Evaluation

Three hours written exam

Evaluation code(s)

GRA13051

Aids at the examination

Berck, Peter og Knut Sydsæter. 1993. Economists' Mathematical Manual. 2nd ed. Berlin: Springer Verlag.

A non-programmable calculator is permitted. A bilingual dictionary.

Makeup exam

Nest time the course is offered