



ECO 437 Economics of Industrial Organization

Summer 2024

Course Credits: 4

Contact Hours: 56 hours

Instructor: TBA

Email: TBA

COURSE OBJECTIVES

This course delves into strategic economics, studying organizations' behavior in competitive contexts. Competitive advantage, game theory, and strategic positioning are some of the concepts discussed. Case studies on price, differentiation, and innovation give practical insights. By the end of the course, students will have developed decision-making abilities for employment in business, consulting, or advanced studies in economics and management.

Upon Completion of this Course, students will be able to:

1. Apply game theory to the study of corporate strategy in both static and dynamic imperfectly competitive markets.
2. Analyze the effects of capacity limitations, asymmetric information, and concentration measures on business strategy and market dynamics.
3. Examine how innovation, R&D tactics, and intellectual property laws affect the dynamics of the sector.
4. Apply theoretical frameworks to practical situations to hone strategic decision-making abilities in cutthroat marketplaces.
5. Combine knowledge to offer businesses strategic solutions for negotiating challenging competitive environments.

PREREQUISITES

N/A

GRADING



Grades will be determined by accumulating points, with 100 points being the maximum, as follows:

ITEM	POINTS
Quizzes	20 Points
Midterm 1	15 Points
Midterm 2	15 Points
Project	20 Points
Final Exam	30 Points
Total	100 Points

Late submissions will be graded at the end of the course. Grades will be assigned according to the following rule:

$A \geq 90 > B \geq 80 > C \geq 70 > D \geq 60 > F$.

We reserve the right to make adjustments to the overall grading policy.

COURSE MATERIALS

Required Texts:

David Dranove, David Besanko, Mark Shanley, Scott Schaefer, *Economics of Strategy*, 7th Edition, Wiley, 2015.

Recommended (Optional) Texts or Other Materials:

None

COURSE TOPICS

MODULE	TASKS
Module 1	Topics: Topic 1: The Horizontal Boundaries of The Firm Topic 2: Research and Development Topic 3: Asymmetric Information Topic 4: The Property Rights Theory of the Firm Assessments: Quiz#1



Module 2	Topics: Topic 5: Excess Capacity Topic 6: Oligopoly Topic 7: Cournot Quantity Competition Topic 8: Bertrand Price Competition When Products Are Horizontally Differentiated Assessments: Quiz#2 Project
Module 3	Topics: Topic 9: Price and Concentration Topic 10: Rescuing Limit Pricing and Predation: The Importance of Uncertainty and Reputation Topic 11: Predation and Capacity Expansion Topic 12: Strategic Bundling Assessments: Midterm#1 Project
Module 4	Topics: Topic 13: Dynamics: Competing Across Time Topic 14: Dynamic Pricing Rivalry and Tit-for-Tat Pricing Topic 15: Strategic Position and Dynamics Topic 16: Reputation and Buyer Uncertainty Assessments: Midterm#2 Project due
Module 5	Topics: Topic 17: Network Effects Topic 18: Innovation and the Market for Ideas Topic 19: Evolutionary Economics and Dynamic Capabilities Topic 20: Network Structure Assessments: Final Exam

ATTENDANCE

1) Class attendance is required. Missing classes without permission will lead to decrease in overall grade.

Missing less than two classes: no penalty.

Missing more than two classes: 7% will be taken off from the overall grade.



If the instructor reports a student's frequent missing of class to the Soochow University Academic Administration Office, the student might get a written warning and might be prohibited from attending final exam.

2) Participants in this course are expected to arrive in class promptly and adequately prepared. The primary objective of this course is to critically engage with the readings and the subject matter. Therefore, course participants are expected to have completed the reading prior to class and prepare thoughtful reflections/commentaries to share with fellow colleagues.

LEARNING REQUIREMENTS

- 1) Late assignments are not acceptable and are subjected to grade deductions.
- 2) Assignments submitted in the wrong format will be counted as not submitted.
- 3) Failure to submit or fulfill any required course component results in failure of the class.
- 4) Make-up for midterm and final exams only with valid excuses, as defined by the University.
- 5) In order to earn a Certificate of Completion, participants must thoughtfully complete all assignments by stated deadlines and earn an average quiz score of 50% or greater.

TECHNOLOGY POLICY

The use of electronic devices in class is distracting, both for the user and for the rest of the class. Only non-programmable calculators can be used in the tests and exam. Any attempts to use cell phones and other electronic communication devices will be seemed as cheating. Laptops are discouraged, unless you use them for activities DIRECTLY related to the course (eg., note taking, reading course documents).

ACADEMIC INTEGRITY POLICY

Soochow University highly values the academic integrity and aims to promote the academic fairness, honesty and responsibility. Any academic dishonesty behaviors and any attempts to cheats and plagiarism will be reported to the university administration office. A written warning and the relevant penalties will be imposed.



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The record might be shown on the official university transcript.

DISABILITY ACCOMMODATION

Soochow University is committed to maintaining a barrier-free environment so that students with disabilities can fully access programs, courses, services, and activities at Soochow University. Students with disabilities who require accommodations for access to and/or participation in this course are welcome.

Note:

Please contact the University Administrative Office immediately if you have a learning disability, a medical issue, or any other type of problem that prevents professors from seeing you have learned the course material.