

Firms and Industries

Master in Management - UC3M

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Course Schedule: Fall/Winter

Week 1. Basic game theory for competitive analysis

- Readings: Lecture notes; Besanko et al. (2013), p. 31-35.

Week 2. Markets, Competitors and Competition

- a. How to define the relevant market
 - b. Market definition
 - c. Competitors in a market
 - d. Market structure and competition
 - e. Perfect competition
- Readings: Besanko et al. (2013), chapter 5, p. 163-176.
 - Assignments: Exercises for class discussion

Week 3. Monopoly

- a. Monopoly, profit maximization and welfare
 - b. Multiple factories
 - c. Capacity choice
- Readings: Besanko et al. (2013), ch.5 p. 176-180
 - Assignments: Problem set 1

Week 4. Pricing Strategies

- a. Price discrimination
 - b. Two part pricing
 - c. Price discrimination through self-selection
- Readings: Besanko and Braeutigam (2011) ch.12.
 - Assignments: Problem set 2
 - Midterm review

Week 5. Oligopoly

- a. The Cournot model
 - b. Dominant firm with competitive fringe
- Readings: Besanko et al. (2013), p. 180-191
 - Assignments: Problem set 3

Week 6. Strategic commitment and market structure

- a. Dynamic competition
 - b. The Stackelberg model
 - c. Strategic commitment
- Readings: Besanko et al. (2013), chapter 7
 - Assignments: "Antitrust Regulations in a Global Setting: The EU Investigation of the GE/Honeywell Merger" (HBS Case #204081)

Week 7. Presentation of case studies

- Presentation and discussion of assigned team case studies.
- Assignments: Prepare written assignment and class presentation.