**Antalya Bilim University**

**Department of Economics**

**ECON 453 – Advanced Industrial Organization**

**Fall 2019/2020**

Class time & Place: Wednesday 9:30 am to 12:30 am, AG-13

Office hours: Monday 10:00 am to 12:00 am and Wednesday 2:00 pm to 3:00 pm

Asst Prof. Dr Michael Wegener

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(A2-66)

This course builds on ECON 212 and goes beyond the conventional economic theory which assumes that market participants are fully rational and have consistent preferences. However, economic agents such as consumers and producers may be boundedly-rational in that sense that they might not be fully informed or might lack the mental and cognitive capabilities to make well-defined decisions in complex market situations. These inconsistencies are well-known in behavioural economics, and this course aims to acquaint students with the implications and consequences these inconsistencies have on the structure of markets and industries. To this end, modern non-standard models of consumer and producer behaviour will be discussed in class.

After successful completion of the course, students will be able to compare the standard models of conventional economic theory with the most common non-standard models. They can identify and summarise the deviations from conventional theory and can further discuss, explain and analyse the implications these deviations have on market and industry structure.

Students who have difficulties in following the course are kindly invited to visit me during the office hours.

**Course Book:**

Dennis W. Carlton & Jeffrey M. Perlhoff, *Modern Industrial Organization*, **4th Edition**, Pearson.

Students are responsible for getting a hard copy of the course book asap.

**Recommended Readings:**

Ran Spiegler, *Bounded Rationality and Industrial Organization*, Oxford University Press.

The lecturer will provide additional reading material.

**Developing Graduate Attributes**

By undertaking the course activities and mastering the course contents, students will be encouraged to develop the following graduate attributes within the assessment tasks of the College of Business:

* skills involved in scholarly enquiry
* an in-depth engagement with the relevant disciplinary knowledge
* the capacity for analytical and critical thinking
* the ability to engage in independent and reflective learning

**Academic Honesty and Cheating**

Exams are closed books and closed notes. No books, notes, cell phones or any other material may be used or consulted during the exams. ABU has a strict honour code to ensure the academic integrity. Any student caught cheating will receive a grade of F for the course, and student affairs will be notified to pursue further action.

**Assessment Criteria:**

**Midterm (40%):** Students are responsible for all class material covered until the midterm exam.

**Final Exam (60%)**: This exam is cumulative and will cover all units and topics studied throughout the course. However, the emphasis of the final exam will be on those topics covered after the midterm.

**Minimum passing grade: 50/100**

**Course Schedule (Tentative)**

**WEEK 1 (16-20 Sep): Introduction to the Course**

**WEEK 2 (23-27 Sep):** **Repetition of Market Structures**

**WEEK 3 (30 Sep-4 Oct): Price Discrimination**

**WEEK 4 (7-11 Oct): Advanced Topics in Pricing**

**WEEK 5 (14-18 Oct): Strategic Behaviour**

**WEEK 6 (21-25 Oct): Vertical Integration**

**WEEK 7 (28 Oct-1 Nov): Vertical Restrictions**

**WEEK 8 (4-8 Nov): Midterm Exam**

**WEEK 9 (11-15 Nov): Information & Pricing**

**WEEK 10 (18-22 Nov): TBA**

**WEEK 11 (25-29 Nov): TBA**

**WEEK 12 (2-6 Dec): TBA**

**WEEK 13 (9-13 Dec): TBA**

**WEEK 14 (16-20 Dec): Repetition & Questions**