



PRESENTATION

Short description: IMPORTANT: Having passed a course on Microeconomic Theory at an intermediate level is a pre-requisite to take Industrial Organization. Do not take this course unless you have a strong background in Microeconomic Theory and Mathematics.

This course provides the student with an understanding of the basic building blocks of modern Industrial Organization analysis. Students will learn the basic oligopoly models upon which more elaborate models rely. A number of price- and non-price strategies will be discussed, and the basic principles of Competition Policy will be introduced.

- **Degree:** Economics and Business, Diploma in International Economics and Finance.
- **Module and Area:** 7.2. Elective courses.
- **ECTS:** 3.
- **Year and semester:** 3rd year, 2nd semester.
- **Course type:** Elective.
- **Professor:** Pedro Mendi (pmendi@unav.es)
- **Language:** English.
- **Room and class schedule:** Please click on this [link](#).

LEARNING OUTCOMES (Competencies)

- SSOP6. Understand mathematical and statistical language and IT tools that allow for initiation into economic research.
- SSO7. Understand microeconomic strategies and their implications in financial management.
- SSO8. Identify situations of resource and cost optimization.
- SSOP9. Understand macroeconomic variables that regulate the economy and their interaction with business management.
- SSOP10. Understand the role of economics and finance in society.

PROGRAM

1. Consumers and firms. Perfect competition.
2. Monopoly and price discrimination.
3. Basic oligopoly models.
4. Product differentiation.
5. Introduction to Competition Policy.

EDUCATIONAL ACTIVITIES

This is a 3 ECTS course, which amounts to 75 hours of work. This is the time distribution of work, by educational activity:

- **Lectures.** 26 hours. There will be two 45-minute sessions per week. Attendance is mandatory. **The use of electronic devices during lectures is strictly forbidden. This includes the use of laptops and tablets to take notes during lectures. Notes must be taken using paper and pen.**



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- **Exams.** 4 hours. Students will take a midterm and a final exam, 2 hours each. **The use of electronic devices of any kind during exams is strictly forbidden. This includes the use of smartphones, smartwatches, and calculators. You must make sure that absolutely no electronic device is within your reach while you take any exam.**
- **Problem sets.** 20 hours. Students will work out problem sets, individually or in groups. There will be four problem sets, which will be distributed during the semester.
- **Personal study.** 25 hours. This includes solving problem sets, reading required materials in advance, and reviewing materials discussed in class.

STUDENT EVALUATION

MAY

- Problem sets: 40%
- Midterm exam (February 19): 20%.
- Final exam (May 9): 40%. **The final exam is comprehensive. A necessary condition to pass the course is to obtain at least four points out of ten in the final exam.**

JUNE

- Problem sets: 40%
- Final exam (June, TBA): 60%.

OFFICE HOURS

Pedro Mendi's email address: pmendi@unav.es

Office # 4050, Amigos Building.

Office hours: Mondays and Tuesdays, from 3:15 pm to 4:45 pm.

REFERENCES

The recommended reference is:

- Cabral, L. 2017. Introduction to Industrial Organization. 2nd edition. MIT Press.
[Find it in the Library](#)

Other references:

- Motta, M. 2004. Competition Policy. Theory and Practice.
- Tirole, Jean. 1988. The Theory of Industrial Organization
- Varian, Hal. Intermediate Microeconomics.
- Shy, O. 1995. Industrial Organization: Theory and Applications.
- Church, J. and R. Ware. 2000. Industrial Organization. A Strategic Approach.