



PRESENTATION

Short description: This course focuses on market structures and firm behavior, with particular emphasis on oligopolies. In the first part of the course, we will review core topics in microeconomics, including production theory and perfect competition. We will then study monopoly and oligopoly theory by examining the basic models. Next, we will consider relevant extensions of oligopoly models, with a particular focus on collusion among firms. Finally, if time permits, the course will cover additional topics such as auction theory and other issues related to market failures. All topics will be presented in conjunction with key principles of competition policy.

IMPORTANT: A solid knowledge of intermediate microeconomics, calculus, optimization, and game theory is required to successfully pass this class.

- **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:** Raúl Bajo (rbajo@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. Production Theory (review).
2. Market Structures: Perfect Competition / Monopoly / Oligopoly (classic models)
3. Oligopoly: Collusion and Extension of Classic Models
4. Auction Theory
5. Additional Topics on Market Failures & Market Structures

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:



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- **Lectures.** 26 hours. There will be two 45-minute sessions per week.
- **Exams.** 4 hours. Students will take two midterm exams, 2 hours each (maximum). **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, Case Studies and Research Papers.** 20 hours. Students will work out problem sets, individually or in groups. There will be multiple problem sets, which will be distributed during the semester. Solutions will be provided
- **Personal study.** 17hours. This includes solving problem sets, reading required materials in advance, and reviewing materials discussed in class.
- **Group project presentation.** 8 hours.

STUDENT EVALUATION

MAY

- Midterm Exam #1 (February 20): 37.5%.
- Midterm Exam #2 (April 17): 37.5%.
- Group project presentation (April 24): 25%.

JUNE

- Same as in May (in this case, **the retake final exam is comprehensive**).

OFFICE HOURS

Raúl Bajo's email address: rbajo@unav.es

Office # 2500, Amigos Building (Torre, Second floor).

Office hours: by appointment (via email).

REFERENCES

- Cabral, L. 2017. Introduction to Industrial Organization. 2nd edition. MIT Press. [Find it in the Library](#)
- Carrlton, D. and Perloff, J. 2015. Modern Industrial Organization. Harper/Collins.
- Tirole, Jean. 1988. The Theory of Industrial Organization
- Varian, Hal. Intermediate Microeconomics.