



Kuwait University
College of Business Administration
Economics Department



Course Syllabus
ECON 515 Industrial Economics and Organization

Lecture Time and Location

Wed, 5:00 PM – 7:50 PM, 00, CG 1006

Contact Information

Instructor: Prof. Dr. Talat S. Genc

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Office: 1068

Office Hours: Sun, Tue, 11:00 PM – 12:00 PM or by email appointment

Course Description

Industrial Organization is concerned with examining firm conduct and assessing market performance in the case of imperfect competition. The main purpose of this course is to understand and implement basic economic issues of firms, industries, and markets. These issues may include oligopoly theory, equilibrium analysis, strategic bidding and antitrust cases.

Review of the theory of the firm. Competition and efficiency. Measurement of market concentration. Oligopoly theory. Modern oligopoly models. Collusion and cartels practices. Monopolizing practices and barriers to entry. Vertical integration. Market structure and innovation.

Course Learning Objectives (CLOs)

Upon successful completion of the course, students will be able to:

- CLO1. Identify and apply the main principles of effective firm decision making process.
- CLO2. Explain the output and pricing decisions of firms under different competition frameworks.
- CLO3. Identify product differentiation conditions
- CLO4. Explain price discrimination methods and their implications
- CLO5. Identify the oligopolistic market that best describes the behavior of an oligopolistic industry.
- CLO6. Understand vertical relations and restraints in markets and supply chains.

CLO Mapping to CBA Skill Based Competency Goals

	Economic Theory	Quantitative Reasoning	Critical Thinking	Communication
1	I		I	
2	I	R	R	
3	I	R	R	
4	I		R	
5		R		A
6		R		

Type of Emphases:

- **(I)ntroduce:** Students will be introduced to the skill and their grasp of it assessed in the course.
- **(A)pply:** The course will not cover the skill. Students should have a high-level grasp of the skill and are required to apply it in the course.
- **(R)einforce:** Students should have an introductory-level grasp of the skill and the course will improve their mastery to a higher level.

Course Material

Textbooks (Optional):

1. The Theory of Industrial Organization by J. Tirole, MIT press.
2. Modern Industrial Organization by Dennis W. Carlton and Jeffrey M. Perloff. Pearson Addison Wesley press.

Additional Material: Other material is available on Moodle

E-Learning System: Moodle and MS Teams

Course Website: <http://moodle.ku.edu.kw>

Course Requirements and Policies

- **In-Class Tests:** If the university allows on-campus examinations, you will come to campus to write it. Otherwise, it will be an online real-time exam.
- **Term paper:** You will be assigned a firm for which you will examine production and pricing for a specific product and analyze structure, conduct, and performance of the industry that the firm operates.
- **Late submission:** Late submissions of exams or assignments are not accepted. You are expected to be present for each examination. *There will be no make-up examinations.* In case of an unavoidable emergency, please contact the instructor (contact person can be you or someone delegated by you) immediately; otherwise expect a grade of zero.
- **Participation:** The quality of our classroom discussions in large part depends on you and your preparation for class. Participation should include, among other things, (1) presenting case facts, (2) defining the problem, (3) exploring different alternatives, (4) persuasive, thoughtful, integrated analysis supported by the data given in the case.

- **Class Preparation** It is very important that students are prepared for each class period. Students are expected to read the assigned materials before class.
- **Attendance and Participation:** Every student in this course must abide by the Kuwait University Policy on Attendance (published in the Student Guide, Chapter 3, Section 13). A copy of the student guide can be accessed online on:
http://www.ku.edu.kw/cs/groups/ku/documents/ku_content/kuw055940.pdf
- **Cheating and Plagiarism:** Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Student Guide, Chapter 3, Section 2). A copy of the student guide can be accessed online on:
http://www.ku.edu.kw/cs/groups/ku/documents/ku_content/kuw055940.pdf
 Please carefully note all sources and assistance when you turn in your work. Under no circumstances should you take credit for work that is not yours. You should neither receive nor give any unauthorized assistance on any deliverable. If you have any questions about what constitutes “unauthorized assistance” please email me before the deliverable is submitted.
- **Writing Style:** Students must refer to APA writing style for their assignments and report writing. Refer to the English Language Center for help.

Grading

The scores in this course will be the weighted average of the following items:

Weight	Description
10%	Participation
20%	Assignment
30%	Midterm exam
30%	Term paper
10%	Presentation
100%	TOTAL

Grade Distribution

Grade	Range
A	≥ 95
A-	≥ 90 and < 95
B+	≥ 87 and < 90
B	≥ 83 and < 87
B-	≥ 80 and < 83
C+	≥ 77 and < 80
C	≥ 73 and < 77
C-	≥ 70 and < 73
D+	≥ 65 and < 70
D	≥ 60 and < 65
F	< 60

Tentative Course Outline

Chapter	Topics
Chapters 1-2.	Overview. The firm and costs.
Chapters 3-8.	Competition. Monopolies, monopsonies, and dominant firms. Cartels: Oligopoly joint decision making. Oligopoly. Product differentiation and monopolistic competition. Industry structure and performance.

Chapters 9-12.	Price discrimination. Advanced topics in pricing. Strategic behavior. Vertical integration and vertical restrictions.

Important Dates

Date	Event
TBD	Submit Assignment
TBD	Midterm Exam
TBD	Submit Term paper
TBD	Presentation

Master of Economics Competency Goals:

1. Economic Theory: Our students should demonstrate expertise in applying core economic theories to solve global and complex economic problems.

Student Learning Objectives:

- 1.1 Acquire a deep understanding of how markets and economies operate
- 1.2 Apply micro/macro-economic theories to solve complex economic problems.
- 1.3 Analyze in depth the impact of alternative regulatory activities in individual markets and their effect on the welfare of the population
- 1.4 Recognize that although economists address economic problems with a common approach, the science is ever changing, and one's approach must be regularly evaluated and updated.

2. Quantitative Reasoning Skills: Our students should acquire sufficient mathematical and statistical skills to be able to analyze economic problems and to make use of those skills in their future careers

Student Learning Objectives:

- 2.1 Understand how to collect and use empirical evidence to evaluate economic argument.
- 2.2 Conduct appropriate statistical analysis of data using appropriate econometric techniques and explain the statistical problems involved.
- 2.3 Interpret statistical results and understand the limitations of the analysis.

3. Critical Thinking Skills: Our students should demonstrate the ability to be critical thinkers when conducting qualitative and quantitative economic analysis.

Student Learning Objectives:

- 3.1 Creating abstract models of complex socio-economic systems
- 3.2 Drawing conclusions and policy prescriptions while critically evaluating them
- 3.3 Distinguish between causal relationships and spurious correlations

4. Communication Skills: Our students will demonstrate advanced communication skills in a variety of business settings.

Student Learning Objectives:

- 4.1 Deliver clear, concise, and persuasive presentations.
- 4.2 Write clear, concise, and persuasive business documents.