



## ECON 2216 Industrial organization

GENERAL INFORMATION		
Instructor: Prof. Steven XU		
Email: paixu@hku.hk		
Office: KK1113		
Consultation times: Friday or by appointment		
Tutor: Mr. Harry Kwong harryhk@connect.hku.hk		
Course website: A Moodle course on the HKU portal. Students are encouraged to visit the course website at least once a week.		
COURSE DESCRIPTION		
This course studies the pricing and output decisions of firms and the performance of the market under various market structures. Topics include theories of oligopoly; product differentiation; the effects of imperfect and asymmetric information; the examination of pricing practices such as price discrimination, tie-in selling, and resale price maintenance; collusion and anti-competitive behaviours, and public policies related to the promotion or restriction of competition.		
Pre-requisite(s): ECON1210 Introductory microeconomics		
COURSE OBJECTIVES		
This course will examine various aspects of the behavior of consumers and firms. We will use economic theory and empirical analysis to study the strategies of firms in differentiated product markets and the behavior of their potential customers.		
FACULTY LEARNING GOALS (FLGs)		
FLG1: Acquisition and internalization of knowledge of the programme discipline		
FLG2: Application and integration of knowledge		
FLG3: Inculcating professionalism		
FLG4: Developing global outlook		
FLG5: Mastering communication skills		
FLG6: Cultivating leadership		
COURSE LEARNING OUTCOMES (CLOs)		
Course Learning Outcomes	Aligned Faculty Learning Goals (FLGs)	
CLO1: Be familiar with terminologies, concepts and intuitions of IO topics	FLG1	
CLO2: Be able to build and explain IO models based on the industry of choice	FLG2	
CLO3: Be aware of the current themes discussed in the IO literature	FLG3 & FLG4	
CLO4: Be able to interpret the model results and the implications	FLG5 & FLG6	
CLO5: Be able to apply the existing models to a new industry	FLG6	
COURSE TEACHING AND LEARNING ACTIVITIES		
Course Teaching and Learning Activities	Expected Study Hours	Study Load (% of study)
T&L1: (lectures) Instructors give lectures on major concepts and discuss various studies	36 hours	30%

T&L2: (consultation) instructors and tutors hold weekly consultations	24 hours	20%
T&L3: (tutorials) TA sessions will start from the second week. The TA will discuss practice questions and help students familiar with problem solving in various topics.	12 hours	10%
T&L4: (homework) students are required to solve problems and exercises to internalize concepts and terminologies.	36 hours	30%
T&L5: (self-study) students review the course material and exercises.	12 hours	10%
Total	120 hours	100%

Assessment Methods	Brief Description (Optional)	Weight	Aligned Course Learning Outcomes
A1: Assignments	There will be several assignments. Each student is required to hand in the individual submission of the assignments.	15%	CLO1 – CLO5
A2: Participation and Communication Involvement	Active participation in classroom activities & additional communication contribution	10%	CLO1 – CLO5
A2: Midterm	There will be a midterm scheduled, to assess the understanding of the concepts.	25%	CLO1 – CLO5
A3: Final exam	There will be a final exam. The coverage will be cumulative.	50%	CLO1 – CLO5
Total		100%	

**Coursework / Examination Ratio: 30 % / 70 %**

#### **STANDARDS FOR ASSESSMENT**

##### **Course Grade Descriptors**

A+, A, A-	Strong evidence of superb ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate and synthesis.
B+, B, B-	Strong evidence of ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate and synthesis.
C+, C, C-	Evidence of adequate ability to fulfill the intended learning outcomes of the course at low levels of learning; such as describe and apply, but not at high levels of learning such as evaluate and synthesis.
D+, D	Evidence of basic familiarity with the subject.
F	Little evidence of basic familiarity with the subject.

**Assessment Rubrics for Each Assessment** (Please provide us the details in a separate file if the space here is not enough)

#### **COURSE CONTENT AND TENTATIVE TEACHING SCHEDULE**

Time	Topic	Reference
Week 1	Introduction, the firm and the cost	CP Chapter 1-2
Week 2	Competition	CP Chapter 3
Week 3	Monopoly	CP Chapter 4
Week 5	Cartels	CP Chapter 5
Week 6	Oligopoly	CP Chapter 6
Week 7	Midterm	
Week 8	Product Differentiation and Monopolistic Competition	CP Chapter 7
Week 9	Industry Structure and Performance	CP Chapter 8
Week 10	Price Discrimination and other pricing topics	CP Chapter 9 - 11
Week 11	Vertically related market	CP Chapter 12
Week 12	Information and advertisement	CP Chapter 13 - 14
Week 13	Regulation and deregulation	CP Chapter 20
<b>REQUIRED/RECOMMENDED READINGS &amp; ONLINE MATERIALS</b> (e.g. journals, textbooks, website addresses etc.)		
Textbook: Carlton D W, Perloff J M. Modern Industrial Organization, Addison-Wesley Longman[J]. (CP)		
<b>MEANS/PROCESSES FOR STUDENT FEEDBACK ON COURSE</b>		
<input checked="" type="checkbox"/> conducting mid-term survey in addition to SETL around the end of the semester <input checked="" type="checkbox"/> Online response via Moodle site <input checked="" type="checkbox"/> direct face-to-face communication throughout the course		
<b>COURSE POLICY</b> (e.g. plagiarism, academic honesty, attendance, etc.)		
<b>Academic Conduct</b> The University regulations on academic dishonesty will be strictly enforced. Also, please check the University Statement on plagiarism at <a href="http://www.hku.hk/plagiarism/">http://www.hku.hk/plagiarism/</a>		
<b>ADDITIONAL COURSE INFORMATION</b> (e.g. e-learning platforms & materials, penalty for late assignments, etc.)		