



1. General Information

Course Subject	ECON
Course Number	2216
Course Title	Industrial organization
Academic Years	2024-2025
Grading Method	Letter

2. Instructors

Professor XU, Pai
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Subclasses: 2A

4. Course Description

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.
Prerequisites	ECON1210: Introductory Microeconomics
Free Elective	Yes

5. Course Objectives

1. 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.

6. Faculty Learning Goals

Goal 1: Acquisition and internalization of knowledge of the programme discipline

Goal 2: Application and integration of knowledge

Goal 3: Inculcating professionalism

Goal 4: Developing global outlook

Goal 5: Mastering communication skills

Goal 6: Cultivating leadership

7. Course Learning Outcomes						
Course Teaching and Learning Activities	Aligned Faculty Learning Goals					
	1	2	3	4	5	6
CLO1. Be familiar with terminologies, concepts and intuitions of IO topics	✓					
CLO2. Be able to build and explain IO models based on the industry of choice		✓				
CLO3. Be aware of the current themes discussed in the IO literature			✓	✓		
CLO4. Be able to interpret the model results and the implications					✓	✓
CLO5. Be able to apply the existing models to a new industry						✓

8. Course Teaching and Learning Activities		
Course Teaching and Learning Activities #	Expected Study Hours	Study Load (% of study)
T&L1. Instructors give lectures on major concepts and discuss various studies	36	30
T&L2. Consultation: the instructors and tutors hold weekly consultations	24	20
T&L3. Weekly 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	10
T&L4. Homework: students are required to solve problems and exercises to internalize concepts and terminologies.	36	30
T&L5. Self study: student review the course material and exercises.	12	10
	Total: 120	Total: 100

9. Assessment Methods			
Assessment Methods	Description	Weight %	Aligned Course Learning Outcomes
A1. Assignments	There will be 6 assignments. Each student is required to hand in the individual submission of the assignments.	30%	1,2,3
A2. Midterm	There will be a midterm scheduled, to assess the understanding of the concepts.	30%	4,5
A3. Final presentation		40%	4,5

10. 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

10. Course Grade Descriptors

	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.

11. Course Content and Tentative Teaching Schedule

Topic/ Session	Content	Readings
1	Introduction, the firm and the cost	CP Chapter 1-2
2	Competition	CP Chapter 3
3	Monopoly	CP Chapter 4
4	Cartels	CP Chapter 5
5	Oligopoly	CP Chapter 6
6	Product Differentiation and Monopolistic Competition	CP Chapter 7
7	Industry Structure and Performance	CP Chapter 8
8	Price Discrimination and other pricing topics	CP Chapter 9 - 11
9	Vertically related market	CP Chapter 12
10	Information and advertisement	CP Chapter 13 - 14
11	Regulation and deregulation	CP Chapter 20

12. Required/Recommended Readings & Online Materials

Textbook	Carlton D W, Perloff J M. Modern Industrial Organization, Adisson-Wesley Longman[J]. (CP)
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13. Means / Processes for Student feedback on Course

✓	Conducting mid-term survey in additional to SETL around the end of the semester
	Online response via Moodle site
	Others

14. Course Policy

Academic Conduct

The University regulations on academic dishonesty will be strictly enforced. Also, please check the University Statement on plagiarism at <http://www.hku.hk/plagiarism/>