

ECON30003 Industrial Economics

Credit Points:	12.50
Level:	3 (Undergraduate)
Dates & Locations:	2010, Parkville This subject commences in the following study period/s: Semester 2, Parkville - Taught on campus.
Time Commitment:	Contact Hours: Two 1-hour lectures and a 1-hour tutorial per week Total Time Commitment: Not available
Prerequisites:	<u>316-202 Intermediate Microeconomics (/view/2010/316-202)</u> AND one of <u>316-210 Competition and Strategy (/view/2010/316-210)</u> or <u>316313 Microeconomics (/view/2010/316-313)</u> .
Corequisites:	None
Recommended Background Knowledge:	Please refer to Prerequisites and Corequisites.
Non Allowed Subjects:	None
Core Participation Requirements:	For the purposes of considering requests for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Students Experiencing Academic Disadvantage Policy, academic requirements for this subject are articulated in the Subject Description, Subject Objectives, Generic Skills and Assessment Requirements for this entry. The University is dedicated to provide support to those with special requirements. Further details on the disability support scheme can be found at the Disability Liaison Unit website: http://www.services.unimelb.edu.au/disability/
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Subject Overview:	This subject is an introduction to the field of industrial organisation. Industrial organisation deals with the structure, management, and performance of firms and markets. It is concerned with firm behaviour and strategy, the implications of firm behaviour for economic efficiency, and the role public policy plays in promoting efficiency. Most of the time, models of perfect competition and monopoly fail to explain the composition and behaviour of most industries in modern capitalist economies. Our goal in this class is to depart from those two idealised models and to explain why industries are composed of a few large firms instead of many small ones. We will be looking at the strategic interactions between firms in a market, and analysing such market phenomena as price discrimination, product differentiation, price wars, mergers, vertical relationships between firms, advertising, entry and exit, and research and development. Whenever possible, we will try to study real-world applications of the theories that we learn in class.
Objectives:	<ul style="list-style-type: none"> # Explain and analyse the main issues and debates in the field of industrial economics # Describe the workings of different market structures # Critically evaluate different policy approaches to industry # Analyse the value and the limitations of existing theory in the area of industry economics # Explain the economic behaviour of different industries, firms and markets in relation to their output and pricing decisions # Analyse and provide policy recommendations about monopolies, cartels, non-cooperative oligopolies and other forms of imperfect competition # Critically evaluate the relationship between industrial structure and performance and the various approaches to innovation, entrepreneurship and industry policy
Assessment:	A 2-hour end-of-semester examination (50% or 60%), a mid-semester exam (20% or 30%), and an in-course assignment of up to 2000 words (20%). The final mark will be calculated

	by weighting the end-of-semester exam at 50% and the mid-semester exam at 30% OR by weighting the end-of-semester exam at 60% and the mid-semester exam at 20%, whichever gives the higher mark to the student.
Prescribed Texts:	You will be advised of prescribed texts by your lecturer.
Breadth Options:	<p>This subject potentially can be taken as a breadth subject component for the following courses:</p> <ul style="list-style-type: none"> # Bachelor of Arts (https://handbook.unimelb.edu.au/view/2010/B-ARTS) # Bachelor of Biomedicine (https://handbook.unimelb.edu.au/view/2010/B-BMED) # Bachelor of Environments (https://handbook.unimelb.edu.au/view/2010/B-ENVS) # Bachelor of Music (https://handbook.unimelb.edu.au/view/2010/B-MUS) # Bachelor of Science (https://handbook.unimelb.edu.au/view/2010/B-SCI) # Bachelor of Engineering (https://handbook.unimelb.edu.au/view/2010/355AA) <p>You should visit learn more about breadth subjects (http://breadth.unimelb.edu.au/breadth/info/index.html) and read the breadth requirements for your degree, and should discuss your choice with your student adviser, before deciding on your subjects.</p>
Fees Information:	Subject EFTSL, Level, Discipline & Census Date, http://enrolment.unimelb.edu.au/fees
Generic Skills:	<ul style="list-style-type: none"> # High level of development: problem solving; application of theory to practice; interpretation and analysis; critical thinking. # Moderate level of development: written communication; receptiveness to alternative ideas. # Some level of development: oral communication; collaborative learning; team work; synthesis of data and other information; evaluation of data and other information; accessing data and other information from a range of sources.
Related Majors/Minors/Specialisations:	Economics Major