



Shih Chien University

STP Program (July 01-Aug 02)

ECON 250 Introduction to Industrial Organization

Course Outline

Course Code: ECON 250

Instructor: Daiqiang Zhang

Home Institution: University at Albany, State University of New York

Office Hours: Tuesday 9:00-11:00 AM or by appointment

Email: dzhang6@albany.edu

Credits: 4

Class Hours:

This course will have 144 class hours, including 50 lecture hours, professor 30 office hours, 20-hour TA discussion sessions, 10-hour review sessions, 34-hour extra classes.

Prerequisites: Microeconomics

Course Description:

This course provides you an understanding of the organizational design problems, the strategic decisions under various competitive environments, and how the market structure is determined. We will start with the microeconomics foundations, learn regulation policy due to market failure, adverse selection under incomplete information, price discrimination. We will learn game theory and use game theory to study oligopoly, collusion, price wars, horizontal mergers, and market foreclosure. We may discuss non-price strategies such as

Academic Inquiry: Shih Chien University
Disclaimer: Course schedule is subject to change.



vertical relation and product differentiation.

Required Course Materials:

Luis Cabral, *Introduction to Industrial Organization*, Second Edition, The MIT Press, 2017.

Grading & Evaluation:

Homework Assignments: 10%

Midterm Exam: 40%

Final Exam: 50%

Grading System (1 ~ 100):

Quality Points	Grade	Percentage %
4	A	80-100
3	B	70-79
2	C	60-69
1	D	50-59
0	E	0-49

Course Schedule:

WEEK 1: Microeconomic foundations for industrial organization, consumer theory, producer theory, market equilibrium and efficiency

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WEEK 2: Market failure, externalities, regulation policy, asymmetric information, adverse selection

WEEK 3: Price discrimination, game theory, Nash equilibrium, static games

WEEK 4: Sequential games, repeated games, oligopoly competition, Bertrand model, Cournot model

WEEK 5: Collusion, price wars, market structure, vertical relation, product differentiation