Industrial Organization

Second Semester 2025-2026

Professor: Frieder Neunhoeffer
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Webpage: https://frieder-neunhoeffer.com
Class meetings: 10am-12:00pm, Mon & Thu (F1 010)
Office hours: by appointment

Course website: on Fenix

Overview

The course will follow the standard structure of an undergraduate Industrial Organization course.

Part 1: From monopoly to oligopoly

1. Monopoly, regulation, price discrimination
2. Oligopoly
3. Collusion

Part 2: Strategic behavior

1. Differentiation and advertising
2. Vertical relations and vertical integration
3. Market structure and market power
4. Strategic behavior, entry and exit
5. Competition and technology (R&D, networks)

Main course goals:

1. ability to use industrial organization concepts to analyze a problem
2. ability to solve a simple modelling problem

REFERENCES

Main reference: Jean Tirole, 1988, The Theory of Industrial Organization, MIT Press

Other references:

- Cabral, 2017, Introduction to Industrial Organization, MIT Press, 2nd edition
- Belleflamme and Peitz, 2015, Industrial Organization: Markets and Strategies, Cambridge Univ. Press, 2nd edition

Course materials are based on the Industrial Organization course by Michele Fabi and Marc Bourreau, whom I gratefully acknowledge for generously sharing their materials.

Web Resources

Class announcements and additional readings will be posted on *Fenix*. Make sure you check the course website regularly for updated information about the course. However, there may be occasions where announcements will be made in class and not posted on the website.

Grading

Weekly problem sets	**20%**
Attendance and class participation	**10%**
Final Exam (*Regular period or Resit period*)	**70%**

Final Exam: The final exam, either in the *'Regular period'* (minimum to pass: 7 points) or in the *'Resit period'* (minimum to pass: 10 points), will cover all the course material.

- If you take the exam in the **regular period**, the final exam always counts for 70% of your final grade.
- If you take the exam in the **resit period**:
    - If your resit exam grade is **higher than or equal to** your coursework average (problem sets + attendance/participation), then your resit exam grade will count for **100%** of your final grade.
    - If your resit exam grade is **lower than** your coursework average, then your final grade will be computed using the standard weights (70% exam + 30% coursework).

Course Requirements and Policies

Problem sets and practical classes: Problem sets are discussed in the practical part of the course (usually Monday lecture). Students form groups of 3–4 and each group will be assigned one problem set during the semester. The assigned group is responsible for presenting the

solutions and leading the discussion in front of the class. During these sessions, the instructor and non-presenting students may intervene to ask questions or provide assistance if needed.
Assessment of the presentation is divided as follows:

- 50% based on the correctness and completeness of the solutions presented
- **50% based on pedagogical quality, presentation skills, and the group's ability to lead and stimulate discussion**

Thus, students should not worry about presenting a perfect solution. The idea is to learn together. Therefore, it is essential that all students—including those not presenting—come prepared and attempt to solve the problem set in advance.

Credit from attendance to classes and experiments and class participation:

Attendance and active participation in class are expected. More than answering to questions correctly, you are expected to participate in class discussions and be fully attentive – using a laptop or smartphone during class is detrimental to your own and your classmates' learning progress and also disrespectful to the instructor.

Given the above, you will be asked to sign an attendance sheet in every class.
If you are sick and cannot attend class you are expected to inform the instructor.

Students with disabilities

If you have a disability that requires special accommodation, please make an appointment to speak with me in order to discuss any adjustments.

Academic dishonesty and the course code of honor

The acts of cheating, lying, and deceit in any of their diverse forms (such as the use of substitutes for taking examinations, the use of illegal cribs, plagiarism, and copying during examinations) is dishonest and is not tolerated. Moreover, knowingly to aid and abet, directly or indirectly, other parties in committing dishonest acts is in itself dishonest.

To foster a climate of trust and high standards of academic achievement, the Professor is committed to cultivating academic integrity and expects students to exhibit the highest standards of honor in their scholastic endeavors. As members of the academic community, our foremost interest is toward achieving noble educational goals and our foremost responsibility is to ensure that academic honesty prevails.

Use of copyrighted materials

Among the materials that may be protected by copyright law are the lectures, notes, and other material presented in class or as part of the course. The materials presented are protected by copyright. Students enrolled in this course are permitted to take notes and have access to the slides which they may use for individual/group study or for other non-commercial purposes reasonably arising from enrollment in the course or the University generally.

Campus Emergencies

In the event of a major campus emergency, course requirements, deadlines and grading percentages are subject to changes that may be necessitated by a revised semester calendar or other circumstances beyond the instructor's control.

COURSE OUTLINE AND SCHEDULE

Week 1	**26-Jan**	**Mon**	Introduction + 01 Monopoly lecture
	28-Jan	**Wed**	01 Monopoly lecture
Week 2	**2-Feb**	**Mon**	Monopoly problem set
	4-Feb	**Wed**	02 Oligopoly lecture
Week 3	**9-Feb**	**Mon**	Oligopoly problem set
	11-Feb	**Wed**	03 Collusion lecture
Week 4	**18-Feb**	**Wed**	Collusion problem set
Week 5	**23-Feb**	**Mon**	04 Differentiation lecture
	25-Feb	**Wed**	04 Differentiation lecture
Week 6	**2-Mar**	**Mon**	Differentiation problem set
	4-Mar	**Wed**	05 Advertising lecture
Week 7	**9-Mar**	**Mon**	06 Market structure lecture
	11-Mar	**Wed**	Market structure problem set
Week 8	**16-Mar**	**Mon**	07 Entry/exit lecture
	18-Mar	**Wed**	Entry/exit problem set 1
Week 9	**23-Mar**	**Mon**	Entry/exit problem set 2
	25-Mar	**Wed**	08 Vertical relations lecture
Week 10	**8-Apr**	**Wed**	Vertical relations problem set
Week 11	**13-Apr**	**Mon**	09 Innovation lecture
	15-Apr	**Wed**	10 Networks lecture
Week 12	**20-Apr**	**Mon**	Networks problem set
	22-Apr	**Wed**	Exercises
Week 13	**27-Apr**	**Mon**	Exercises
	29-Apr	**Wed**	Q&A