

COURSE SYLLABUS

Advanced Industrial Organization, 7.5 credits

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Course Code:	JAIN14	Education Cycle:	First-cycle level
Confirmed by:	Council for Undergraduate and Masters Education Jan 4, 2013	Disciplinary domain:	Social sciences (75%) and natural sciences (25%)
Revised by:	Council for Undergraduate and Masters Education Jan 13, 2014	Subject group:	NA1
Valid From:	Jul 1, 2014	Specialised in:	G2F
Version:	1	Main field of study:	Economics
Reg number:	IHH 2014/4114-122		

Intended Learning Outcomes (ILO)

On completion of the course the students will be able to:

Knowledge and understanding

- delineate the characteristics of the firm as a transaction mode
- give a contractual picture of the characteristics of the firm
- discuss the objectives of the firm, to look at the legal form of the firm and its implications
- study the implications of institutional framework and ownership control on performance (the governance of the firm)
- analyze the investment and growth of the firm from a corporate governance perspective to look at merger and acquisitions as a means for growth.

Skills and abilities

- use models for analysing real world phenomena within firms, industry and competition policy
- apply economic concepts that have a broad use for decision making (e.g. opportunity costs, quasi-rents, principal agent relationship, strategic behaviour, transaction costs, vertical integration, and the relevance of marginal considerations)
- demonstrate ideas and solve problems using graphical, tabular, algebraic, and advanced calculus-based techniques

Judgement and approach

- conduct positive and normative analysis of real world industry, firm and competition policy phenomena

Contents

Important elements of the course are:

- Firms, organisations, and contracts
- Corporate governance and firm objectives
- Theory of the firm and costs
- Market structures

- Information and advertising
- Dynamic models
- Vertical integration
- Business practices
- Strategic behaviour
- Government policies and their effects

Type of instruction

The course is delivered through lectures, exercise classes and group assignments.

The teaching is conducted in English.

Prerequisites

60 credits in Business Administration or Economics including Intermediate Microeconomic Theory (or the equivalent).

Examination and grades

The course is graded A, B, C, D, E, FX or F.

Learning outcomes Skills and Abilities and Judgement and Approach will be examined by one compulsory assignment. Learning outcomes Knowledge and Understanding, Skills and Abilities and Judgement and Approach will be examined in an individual written examination.

Registration of examination:

Name of the Test	Value	Grading
Examination ^{1,3}	7.5 credits	A/B/C/D/E/FX/F

¹ Determines the final grade of the course, which is issued only when all course units have been passed.

³ The written examination accounts for 100% of the course credit and course grade.

Course evaluation

At the outset of the course the course manager ensures that course evaluators are elected (or exist) among the students. The course evaluation is carried out continuously as well as at the end of the course. On the completion of the course the course evaluators and course manager discuss the course evaluation and possible improvements. The result is reported to, among others, the Associate Dean for Education, the Council for Undergraduate and Master Education, and the Board of Directors of JIBS. The course manager shall at the outset of the following course report results and measures taken in the previous course evaluation.

Course literature

Literature

- Mueller, D., 2003, *The Corporation: Investment, mergers and growth*, Routledge.
- Articles published in refereed journals and edited books.

Additional Literature:

- *The Economic Nature of the Firm: A reader*, 2009, (3rd edition), edited by Randall S. Kroszner and Louis Putterman, Cambridge University Press