

# EF4480: INDUSTRIAL ORGANIZATION

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## Effective Term

Semester A 2025/26

## Part I Course Overview

### Course Title

Industrial Organization

### Subject Code

EF - Economics and Finance

### Course Number

4480

### Academic Unit

Economics and Finance (EF)

### College/School

College of Business (CB)

### Course Duration

One Semester

### Credit Units

3

### Level

B1, B2, B3, B4 - Bachelor's Degree

### Medium of Instruction

English

### Medium of Assessment

English

### Prerequisites

Either of the following

EF3440 Microeconomics for Business Strategy

EF3442 Intermediate Microeconomics

(Students who plan to take this course are recommended to take EF3442 instead of EF3440)

### Precursors

Nil

### Equivalent Courses

Nil

### Exclusive Courses

Nil

## Part II Course Details

### Abstract

This course aims to introduce the basic tools of game theoretic analysis and microeconomic principles that are useful to study how firms compete with each other in markets and industries; and survey important topics in industrial organization, such as price discrimination, advertising strategy, research and development, collusion, and government regulation. The course also encourages discovery learning in that students use game theoretic analysis and microeconomic principles to analyze topics related to industrial organization in real-life contexts. The project presentation and examinations will reflect their accomplishment in discovery and innovation.

### Course Intended Learning Outcomes (CILOs)

CILOs		Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Describe the basic concepts and important issues in industrial organization;		x	x	x
2	Apply basic game-theoretic analysis and microeconomic principles to analyze market structure, business practices and government regulation of firms and industries;		x	x	x
3	Identify market structure and business environment for a firm and formulate strategies to achieve best performance;		x	x	x
4	Explain the consequences of various government policies that regulate firms and industries.		x	x	x

#### A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

#### A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

#### A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

### Learning and Teaching Activities (LTAs)

LTAs	Brief Description	CILO No.	Hours/week (if applicable)	
1	Lectures	Students will engage in the lectures introduce fundamental concepts to students and encourage them to think critically and logically, with the goal to guide students to develop their ability to solve new problems by themselves.	1, 2, 3, 4	3 hours/week

2	Peer Discussion	Students will engage in structured discussion with peers to identify areas to improve on in their returned assessment tasks.	2, 3, 4	weeks 10-13; incorporated in lectures
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**Assessment Tasks / Activities (ATs)**

	ATs	CILO No.	Weighting (%)	Remarks ("- " for nil entry)	Allow Use of GenAI?
1	Group Projects	1, 2, 3, 4	30	-	Yes
2	Class Participation	1, 2, 3, 4	10	including performance in classroom case discussion and experiments	Yes

**Continuous Assessment (%)**

40

**Examination (%)**

60

**Examination Duration (Hours)**

3

**Assessment Rubrics (AR)****Assessment Task**

Final Examination

**Criterion**

Ability to apply the concepts, models, and techniques studied in class to analyze various economic and business problems.

**Excellent (A+, A, A-)**

High

**Good (B+, B, B-)**

Significant

**Fair (C+, C, C-)**

Moderate

**Marginal (D)**

Basic

**Failure (F)**

Not even reaching marginal levels

**Assessment Task**

Group Projects

**Criterion**

Ability to apply the concepts, models, and techniques studied in class to analyze various economic and business problems.

**Excellent (A+, A, A-)**

High

**Good (B+, B, B-)**

Significant

**Fair (C+, C, C-)**

Moderate

**Marginal (D)**

Basic

**Failure (F)**

Not even reaching marginal levels

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### **Assessment Task**

Class Participation

### **Criterion**

Attitude and performance in classroom case discussion.

**Excellent (A+, A, A-)**

High

**Good (B+, B, B-)**

Significant

**Fair (C+, C, C-)**

Moderate

**Marginal (D)**

Basic

**Failure (F)**

Not even reaching marginal levels

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## **Part III Other Information**

### **Keyword Syllabus**

Part I. Introduction and Theory

1. Overview

2. The Firm and Costs

Part II. Market Structures

3. Competition

4. Monopolies, Monopsonies, and Dominant Firms

5. Cartels

6. Oligopoly

7. Product Differentiation and Monopolistic Competition

8. Industry Structure and Performance

Part III. Business Practices: Strategies and Conduct

- 9. Price Discrimination
- 10. Advanced Topics in Pricing
- 11. Strategic Behaviour
- 12. Vertical Integration and Vertical Restrictions
- Part IV. Information, Advertising and Disclosure
- 13. Information
- 14. Advertising and Disclosure
- Part V. Dynamic Models and Market Clearing
- 15. Decision Making Over Time: Durability
- 16. Patents and Technological Change
- 17. How Markets Clear: Theory and Facts
- Part VI. Government Policies and Their Effects
- 18. International Trade
- 19. Antitrust Law and Policy
- 20. Regulation and Deregulation

### Reading List

#### Compulsory Readings

Title	
1	Lynn Pepall, Dan Richards and George Norman, Industrial Organization: Contemporary Theory and Empirical Applications, Wiley-Blackwell, current edition.
2	Dennis W. Carlton and Jeffrey M. Perloff, Modern Industrial Organization, Prentice Hall, current edition.
3	Luis Cabral, Introduction to Industrial Organization, MIT Press, current edition.

#### Additional Readings

Title	
1	Useful links for I.O. students, teachers and researchers: <a href="http://luiscabral.org/iio/links">http://luiscabral.org/iio/links</a>
2	Modern Industrial Organization by Carlton and Perloff: <a href="http://wps.aw.com/aw_carltonper_modernio_4/21/5566/1424930.cw/index.html">http://wps.aw.com/aw_carltonper_modernio_4/21/5566/1424930.cw/index.html</a>