

Competitive Strategy and Industrial Organization

Course	Competitive Strategy and Industrial Organization	Code	EME311G
Year of Study	3 rd Year	Semester	5
Hours	68	ECTS	6
Prerequisites	Microeconomics	Teaching language	English

Main Objective

The purpose of this course is to present the most relevant theoretical concepts and analytical tools for explaining the behavior of imperfect markets. The course will emphasize studying the foundations that motivate agents, the way incentives guide decisions and the resulting societal consequences. It is necessary to understand the key variables involved in the decision-making processes of agents (firms and consumers) and their impact on the organization at different markets or industries.

Units and content

Unit	Content
I. Introduction and Basic Concepts	Review of key microeconomic concepts. <ul style="list-style-type: none"> ▪ Market structures and business behavior. ▪ Cost-benefit analysis.
II. Pricing Strategies	Price discrimination, two-part tariffs, bundling <ul style="list-style-type: none"> ▪ Types of price discrimination: first, second, and third degree. ▪ Business applications: two-part tariffs and bundling. Double marginalization and multiproduct monopoly <ul style="list-style-type: none"> ▪ Impact of double marginalization in value chains. ▪ Strategies of monopolies selling multiple products. Vertical differentiation and platform pricing <ul style="list-style-type: none"> ▪ Vertical differentiation: quality and pricing. ▪ Pricing structures in multi-sided platforms (e.g., Uber, Amazon).
III. Strategic Interaction and Game Theory	Introduction to game theory: concepts of static and dynamic games. Nash equilibrium and its application to business competition. Sequential games, credible threats, and collusion in markets.
IV. Oligopoly Models, Collusion, Entry Barriers, and Horizontal Differentiation	Oligopoly models: Cournot and Bertrand <ul style="list-style-type: none"> ▪ Quantity competition vs. price competition. ▪ Applications in pricing and production decisions. Horizontal Differentiation: Hotelling Model <ul style="list-style-type: none"> ▪ Product differentiation and consumer preferences.