Econ 6120L – Advanced Industrial Organization
Department of Economics – HKUST
Fall 2016

Instructor: Sandro Brusco

Organization: We will meet Tuesday 15:00-16:50 and Thursday 11:00 – 12:50, starting on Sep. 1.

Contact Information: I’m in office LSK 6070. E-mail: sbrusco@ust.hk. I have office hours on Tuesday, 13:00 – 15:00 pm, but you can talk to me whenever you find me in the office.

Grading: The grade will be based on 5 homeworks (25%), a midterm exam (25%) a term paper (40%) and a presentation of your paper (10%). The term paper will have to be on a topic of your choice related to the general material of the course. I will distribute a list of topics as well as guidelines on how the paper should be written.

Textbook: There are two main textbooks for the course:


I will also use material from the following books:


and I will distribute notes and additional material during the class.


**Topic 2. Oligopoly: Static Models.** Quantity and price competition, product differentiation, welfare and convergence to the competitive equilibrium.


**Topic 5. Imperfect Competition and Nonlinear Pricing.** Application of mechanism design to the optimal pricing policy of a monopolist. Oligopoly models when firms can use nonlinear prices.

**Topic 6. Search Models.** The consequences of the presence of search cost and switching costs for competition and welfare.

**Topic 7. Industry dynamics.** Evolution of competitive and imperfectly competitive industries with heterogeneous firms and entry and exit.