Course Outline & Bibliography


II. Modeling strategic behavior. Game theory tools basics.

III. Oligopoly pricing in homogenous product markets.

IV. Pricing in differentiated product markets. Monopolistic competition.

V. Entry and market structure.

VI. Strategic investment and commitment. Product positioning, innovation and advertising.

VII. Repeated interaction and collusion.

VIII. Mergers.

IX. Network effects, search and standards.

X. (Time allowing) Vertical relations and mergers, tying, bundling and foreclosure.

TITLE OF SESSION & MATERIALS

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<tr>
<td></td>
<td>Required readings:</td>
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<tr>
<td></td>
<td>- Cabral, L., chapters 1, 2 and 3.</td>
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<td>Optional readings:</td>
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<td>- Scherer, F.M., and D. Ross, chapters I and III.</td>
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### COURSE OUTLINE

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<tr>
<td><strong>2</strong></td>
<td><strong>Modeling strategic behavior. Game theory tools basics.</strong></td>
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| **Required readings:** | - Cabral, L., introduction, section 4.1 (chapter 4) and section 7.1 (chapter 7).  
| **Optional readings:** | - Tirole, J., chapter 11, in *The Theory of Industrial Organization*.  
| **3** | **Oligopoly pricing in homogenous product markets.** |
| **Required readings:** | - Cabral, L., chapter 8. |
| **Optional readings:** | - Tirole, J., chapter 5.  
- Vives, X., chapters IV, V, VII.1, VII.2. |
| **4** | **Pricing in differentiated product markets. Monopolistic competition.** |
| **Required readings:** | - Cabral, L., section 4.3 (chapter 4) and chapter 14. |
| **Optional readings:** | - Scherer, F.M., and D. Ross, pp. 97-140.  
- Tirole, J., section 2.1 (pp. 96-100); sections 7.1.1, 7.1.2, 7.2, 7.5 (pp. 279-88, 296-300).  
- Vives, X., chapter VI, section VII.2. |
<p>| <strong>5</strong> | <strong>Entry and market structure.</strong> |
| <strong>Required readings:</strong> |   |</p>
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<th>6</th>
<th>Strategic investment and commitment. Product positioning, innovation and advertising.</th>
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<td><strong>Required readings:</strong></td>
<td>- Cabral, L., section 7.2 (chapter 7) and chapter 15.</td>
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<td>- Gibbons, R. section 2.1, 2.2.</td>
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<td>- Tirole, J., sections 2.2.1 (pp. 100-3), 2.3, 2.4, 2.6.1 (116-121), 7.3 (289-295), 8.2, 8.3 (pp. 323-328), 8.6.2, chapter 10.</td>
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<th>7</th>
<th>Repeated interaction and collusion.</th>
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<td><strong>Required readings:</strong></td>
<td>- Cabral, L., section 7.3 (chapter 7) and chapter 9.</td>
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<tr>
<td><strong>Case:</strong></td>
<td>- Connor, J.M., (1996). Global Cartels Redux: The Lysine Antitrust Litigation, case</td>
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**Optional readings:**
- Gibbons, R. section 2.3.
- Tirole, J., chapter 6 (except 6.4 and 6.7.2).
- Whinston, M.D., chapter 2.

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<th>8 Mergers.</th>
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**Required readings:**
- Cabral, L., chapter 11.
- Vives, X., section VII.2.

**Cases:**

**Optional readings:**
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- Whinston, M.D., chapter 3.

9 Network effects, platforms, search and standards.

**Required readings:**
- Cabral, L., chapter 16.
- Belleflamme, P. and M. Peitz, chapters 20, 21, 22 and 23.

**Cases:**

Search/Advertising

Platform competition
- Eisenmann, T., G. Parker and M. Van Alstyne (2011). Platform envelopment,
COURSE OUTLINE


Online markets and pricing

Examples (in Gauzu, J. J. and G. Llobet, FUNCAS):

Data and information:
- Delgado, J. (2021). Data Regulation: Understanding The Present To Regulate The
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More optional readings:
- Tirole, J., chapter 6, sections 6.4 and 6.7.2, and chapter 8, section 8.6.2.
- Vives, X., chapter IX, section IX.2.

10 Vertical relations and mergers, tying, bundling and foreclosure (time allowing).

Required readings:

Cases:

Microsoft Europe
- European Commission Decision of 24.03.2004 relating to a proceeding under Article 82 of the EC Treaty (Case COMP/C-3/37.792 Microsoft).

General Electric-Honeywell
### Optional readings:


Whinston, M.D., chapter 4.

### Bibliography

**The basic text for the course is:**


**More advanced texts are:**


**Good complements are:**


The chapters assigned in Cabral are required reading. The material in Tirole and Vives is more advanced (the natural progression is Cabral-Tirole-Vives) and is optional. The readings, some quite technical, include also a number of papers for each topic. I will expect you to be familiar with the basics of microeconomics, game theory and applied methods. The program outline is subject to change as interesting opportunities present themselves along the way.