

General Information	
Academic subject	<b>Economics of markets and regulation</b>
Degree course	<b>Two-years Master in Economics, finance and business</b>
Curriculum	
ECTS credits	8
Compulsory attendance	No
Language	Italian

Subject teacher	Name Surname	Mail address	SSD
	Annalisa Vinella	annalisa.vinella@uniba.it	SECS/P-03

ECTS credits details	Area	CFU/ETCS
Basic teaching activities	Economic science	8

Class schedule	
Period	Fall term
Year	2020-2021
Type of class	Lectures, tutorials, seminars

Time management	
Hours	200
In-class study hours	56
Out-of-class study hours	144

Academic calendar	
Class begins	October 2020
Class ends	December 2020

Syllabus	
Prerequisites/requirements	This course requires a good knowledge of Microeconomic theory and Mathematics for economists at an undergraduate level. Students are expected to be familiar with the theory of perfect competition and monopoly. The essential notions in the theory of imperfect competition – particularly, monopoly and oligopoly – will be reviewed during the course. Elementary notions in game theory are a prerequisite as well. A few teaching hours will be devoted to fill the students' gaps in the subject with applications to oligopoly.
Expected learning outcomes	<p>The course aims at providing students with the analytical skills useful to understand the economic foundations of antitrust policies and public utilities regulation. At the end of the course, students should be able to:</p> <ul style="list-style-type: none"> <li>• make sensible hypotheses on the mechanisms underlying market functioning, firms' behaviour, and public policies;</li> <li>• understand the difference between (<i>ex-ante</i>) regulation and (<i>ex-post</i>) competition policy;</li> <li>• reflect upon and explain the microeconomic implications of market power as well as the rationale and consequences of diverse regulatory tools, such as sector-specific regulation;</li> <li>• evaluate the necessity of price regulation in network industries.</li> </ul> <p>Students are also expected to be able to develop a critical view about regulatory decisions and their consequences for firms and consumers. Students will be invited to familiarize with the reading material before attending the classes, and encouraged to participate in collective discussions during both lectures and seminars. Thus, they will have an opportunity to develop and/or reinforce their communication skills.</p>

Contents	<p>1) ECONOMICS OF MARKETS  Market structure and market power  Competition and monopoly  Oligopoly and strategic interactions among firms  Collusion</p> <p>2) ECONOMICS OF REGULATION  Definitions of natural monopoly  Why regulate natural monopolies  Alternative regulatory institutions  Optimal pricing  Incentive regulation</p> <p>3) Supplementary: PUBLIC-PRIVATE PARTNERSHIPS</p>
Course program	
Bibliography	<p>TEXTBOOKS</p> <ul style="list-style-type: none"> <li>• Decker, C. (2015), <i>Modern Economic Regulation. An Introduction to Theory and Practice</i>, Cambridge University Press, Cambridge (UK)</li> <li>• Viscusi, V.K., J.E. Harrington, Jr. and D.E.M. Sappington (2018), <i>Economics of regulation and antitrust</i>, MIT Press, Cambridge MA (US)</li> </ul> <p>FURTHER/ALTERNATIVE READINGS</p> <ul style="list-style-type: none"> <li>• Joskov, P.L. (2007), <i>Regulation of natural monopoly</i>, in Polinsky, M., and S. Shavell (Eds), <i>Handbook of Law and Economics</i>, Volume 2, Chapter16, Elsevier</li> <li>• Cervigni, G., e M. D'Antoni (2001), <i>Monopolio naturale, concorrenza, regolamentazione</i>, Carocci, Roma</li> </ul> <p>MORE ON INDUSTRIAL ORGANIZATION, GAME THEORY AND COMPETITION POLICY</p> <ul style="list-style-type: none"> <li>• Belleflamme, P., and M. Peitz (2015), <i>Industrial organization. Markets and strategies</i>, Cambridge University Press, 2<sup>nd</sup> edition</li> <li>• Maschler, M., E. Solan and S. Zamir (2020), <i>Game theory</i>, Cambridge University Press, 2<sup>nd</sup> edition</li> <li>• Motta, M. (2004), <i>Competition Policy. Theory and Practice</i>, Cambridge University Press, Cambridge</li> <li>• Motta, M., e M. Polo (2005), <i>Antitrust. Economia e politica della concorrenza</i>, Il Mulino, Bologna</li> </ul> <p>Additional and more detailed information about the materials (particularly, with reference to content 3) will be provided by the instructor during the classes.</p>
Notes	None
Teaching methods	<p>The course includes traditional lectures by the instructor and tutorials devoted to problem solving. Besides, seminars can be organized to encourage students to participate in discussions on specific topics. During the traditional lectures, the instructor makes a wide use of the blackboard, especially when dealing with analytical topics. When helpful, slides are shown as well. Both traditional lectures and tutorials are meant to enable students to acquire analytical and methodological skills. Students will be encouraged to make use of those skills in a critical manner during the seminars, being required to link theory and practice in the discussions with their peers.</p>
Assessment methods	<p>Exams are as follows:</p> <ul style="list-style-type: none"> <li>• written examination - including open questions, multiple choice questions and exercises - in the first three exam sessions following the end of the course;</li> </ul>

	<ul style="list-style-type: none"> <li>• oral examination in the exam sessions to be held thereafter.</li> </ul>
Evaluation criteria	<p>Both the written and the oral exam allow the instructor to test if students have been able to acquire the analytical and methodological skills they are supposed to learn. In particular, the instructor verifies the extent to which students will have attained each of the expected learning outcomes. Their (in)ability to use a proper economic language will be taken into account as well. Topics have all an equal weight in the overall evaluation.</p>
Further information	<p>Provided the knowledge of the fundamentals of Microeconomic theory and Mathematics for economists is an essential prerequisite, the <b>Erasmus students</b> who consider attending the classes and sitting in the exam, are kindly invited to verify if they do match the requirement and are thus prepared for a fruitful engagement in the course.</p> <p>The organization of both teaching activities and exam sessions, as previously presented, is intended for a situation in which the sanitary conditions associated with the SARS-COV 2 epidemic are such that it is possible to make regular use of university buildings. Students should nonetheless be aware that variations might be possible, should the evolution of the epidemic not allow for that. Then, a reorganization would be undertaken for the activities to be carried on in online format.</p>