

COURSE OF STUDY Economics and Management (LM-77)

ACADEMIC YEAR 2024-2025

ACADEMIC SUBJECT Markets and Regulatory Economics

General information	
Year of the course	II
Academic calendar (starting and ending date)	I semester (17/09/2024 – 10/01/2025)
Credits (CFU/ETCS):	8
SSD	ECON-04/A (previously SECS-P/06)
Language	Italian and English
Mode of attendance	Attendance is not mandatory but is strongly recommended.

Professor/ Lecturer	
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Telephone	
Department and address	Department of Economics, Management and Business Law, III floor (DEMEDI)
Virtual room	54x4afg
Office Hours (and modalities: e.g., by appointment, on line, etc.)	Monday, 8:30 -11:00 A.M.

Work schedule			
Hours			
Total	Lectures	Hands-on (laboratory, workshops, working groups, seminars, field trips)	Out-of-class study hours/ Self-study hours
64	47	17	
CFU/ETCS			
8	6	2	

Learning Objectives	The course aims to review different market structures and their implications. To develop an understanding of the main issues relating to the regulation of industries and competition policy, and to apply economic reasoning in a critical manner to public utilities, other industrial sectors (banking, automotive, airlines,) and competition policy cases. The course develops a knowledge and understanding of the operation of markets for resources, goods and services and the ability to propose appropriate industrial and regulatory policies
Course prerequisites	The course requires good knowledge of microeconomics and industrial economics, mathematical analysis and applied statistics, as well as a good command of the English language.

Teaching strategy	Frontal lessons with discussion. The course places particular emphasis on the application aspects of regulation models, through the presentation of a series of case studies and the development of group project work that will also be
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	organized in the form of exercises with presentations by students. The teaching and training activities will also be integrated with seminars and meetings with industry experts, entrepreneurs, managers, regulators
Expected learning outcomes in terms of	
Knowledge and understanding on:	<p>The Markets and Regulatory Economics course aims to provide students with analytical knowledge and tools useful for:</p> <ul style="list-style-type: none"> ○ understanding and analysing the functioning of markets and strategic interactions between the players in the economic system: companies, regulators, the State, consumers. <p>Furthermore, it aims to define an analytical framework of the main market regulation tools, to allow the student to increase the understanding of the behaviour of companies, regulators, and consumers.</p>
Applying knowledge and understanding on:	<p>The student will be able to apply the main analysis tools of advanced industrial organization to understand the behaviour and performance of companies in different competitive contexts, applying the analysis to different industrial and service sectors. The course is organized to provide students with skills in critical analysis and synthesis, the ability to identify hypotheses, evaluate statements in relation to empirical evidence, identify false logics, define terms adequately and generalize appropriately.</p>
Soft skills	<ul style="list-style-type: none"> • <i>Making informed judgments and choices</i> The acquired knowledge will enable the student to: <ul style="list-style-type: none"> ○ independently evaluate the competitive dynamics of a market and the company's strategic behaviours; ○ identify any critical issues; ○ suggest possible policy solutions; • <i>Communicating knowledge and understanding</i> At the end of the course, the student will have acquired mastery of the technical language and will be able to: <ul style="list-style-type: none"> ○ argue and discuss in an appropriate manner the topics discussed in class and /or learned from real contexts (Antitrust reports; Regulatory Authorities reports; scientific articles, articles on the main newspapers in the sector, discussions in television broadcasts on economic and industrial policy issues) • <i>Capacities to continue learning</i> At the end of the course, the student will be able to: <ul style="list-style-type: none"> ○ describe and recognize the main forms of the market and the optimal regulation tools and will be able; ○ evaluate the implications in terms of welfare; ○ use graphical and statistical analysis (construction and analysis of indicators) to illustrate economic phenomena.
Syllabus	
Content knowledge	<p>This course covers two broad areas: industrial economics and regulatory economics.</p> <p>Within the first area topics include:</p> <ul style="list-style-type: none"> • competition, oligopolistic market structures, monopoly, price discrimination policies; • game theory. <p>Within the second area the course focuses on two broad sectors - regulation and competition policy – and covers the following topics:</p> <ul style="list-style-type: none"> • natural monopoly regulation; • retail price control; • access pricing;

	<ul style="list-style-type: none"> • universal service obligations; • public policy on inter-firm agreements and restrictive practices; • abuse of monopoly power and merger control; • competition policy and the role of antitrust. <p>This course develops the cognitive skills of critical thinking, analysis and synthesis, including the ability to identify assumptions, evaluate statements in terms of evidence, to detect false logic or reasoning, define terms adequately and to generalise appropriately.</p> <p>During the course, extensive use of project works – which will concur to the final grade – will be made in order to develop the ability of students to create, evaluate and access a range of options, together with the capacity to apply ideas and knowledge to a range of business and other situations. This module develops professional qualitative skills including the ability to work in groups and to build up decision making capacity including incentives, equilibrium and marginal analysis, typical of private and public managers.</p>
Texts and readings	<ul style="list-style-type: none"> - Carlton D.W. and Perloff, <i>Organizzazione industriale</i>, McGraw-Hill, 2005 (cap. 1-6, cap. 8 and cap.15) - Cambini, C., Manganelli, A., Napolitano, G. e Nicita A., <i>Economia e diritto della regolazione. Reti, piattaforme e servizi di pubblica utilità</i>. Il Mulino, Bologna, 2024. (cap. 1-10) <p>If the student non attending lectures finds difficulties in understanding the topics, she/he might use, as an alternative, the following book where the same issues are treated in a less formalised manner:</p> <ul style="list-style-type: none"> - Marzi G., Prosperetti L, Putzu E., <i>La regolazione dei servizi infrastrutturali</i>, Il Mulino, Bologna, 2001 (cap.1 e 2; da leggere); cap.3-7; cap. 9-11; appendix p. 287-290
Notes, additional materials	To prepare for the exam, it is recommended to regularly carry out the exercises reported at the end of each chapter and those assigned by the professor and, in addition, to follow the exercises carried out in the classroom
Repository	

Assessment	
Assessment methods	Written exam and Group Project work (for attending students).
Assessment criteria	<p>The student must be able to:</p> <ul style="list-style-type: none"> • <i>Knowledge and understanding</i> <ul style="list-style-type: none"> ○ explain how the markets work; ○ understand the strategic interactions between companies-regulator-state-consumers; • <i>Applying knowledge and understanding</i> <ul style="list-style-type: none"> ○ apply the main theories of industrial organization and the quantitative analysis methods to analyse the behaviour and performance of companies in different market conditions and structures; ○ Game theory; • <i>Autonomy of judgment</i> <ul style="list-style-type: none"> ○ evaluate, with independent judgment, the competitive dynamics of a market and the strategic behaviour of companies, identifying any critical issues, and suggesting possible policy solutions; • <i>Communicating knowledge and understanding</i> <ul style="list-style-type: none"> ○ discuss and argue, using technical language, the main issues of the economics of regulation;

	<ul style="list-style-type: none"> • <i>Communication skills</i> <ul style="list-style-type: none"> ○ discuss and argue, using technical language, the main issues of the economics of regulation; ○ use graphic analysis to illustrate economic phenomena; • <i>Capacities to continue learning</i> <ul style="list-style-type: none"> ○ analytically solve the main problems of applied economics and regulation (quantity - optimal price; incentive mechanisms, maximization of social well-being, concentration indices, optimal scale, etc.)
Final exam and grading criteria	<p>The test is written and is divided into two parts:</p> <ul style="list-style-type: none"> • I part: open-ended questions on theoretical models of advanced industrial economics, theory and regulation models (22 points); • II part: multiple choice, exercises and/or true or false questions (8 points). <p>The duration of the test is variable and functional to the type of test (about 60 minutes). During the exam it will not be possible to consult notes and / or texts. It will not be necessary to use the calculator and, therefore, no electronic calculation tool is allowed.</p> <p>Attending students will be given the opportunity to integrate part of the assessment test with group work, which must be written and which will be the subject of presentation and discussion</p>
Further information	