

General information	
Academic subject	<b>Economics of markets and regulation</b>
Degree course	<b>Two-years Master in Economics, finance and business</b>
Academic Year	2022-2023
European Credit Transfer and Accumulation System (ECTS)	8
Language	Italian
Academic calendar (starting and ending date)	1 <sup>st</sup> semester (September 2022 – December 2022)
Attendance	Voluntary (strongly advised)

Professor/ Lecturer	
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Tutoring (time and day)	Information available at: <a href="https://www.uniba.it/docenti/vinella-annalisa/attivita-didattica">https://www.uniba.it/docenti/vinella-annalisa/attivita-didattica</a>

Work schedule			
Total	Lectures	Hands on (Laboratory, working groups, seminars, field trips)	Out-of-class and/or Self- study hours
Hours			
200	56	-	144

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 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> <li>• acquire a critical view on independent regulatory authorities;</li> <li>• identify situations in which public-private partnerships are more suitable than traditional procurement for the development of infrastructure projects in the presence of informational asymmetries on relevant variables.</li> </ul>

	<p>Students are also expected to develop a critical view on regulatory decisions and their impact on firms and consumers. Students will be invited to familiarize with the reading material before attending classes, and encouraged to participate in discussions during both lectures and seminars. They will have an opportunity to develop and/or reinforce their communication skills.</p>
<p>Contents</p>	<p>1) ECONOMICS OF MARKETS  Market structure and market power  Competition and monopoly  Oligopoly and strategic interactions among firms  Collusion and remedies</p> <p>2) ECONOMICS OF REGULATION  Definitions of natural monopoly  Why regulate natural monopolies  Alternative regulatory institutions  Optimal pricing  Incentive regulation</p> <p><i>Specific topic:</i> Public-private partnerships in infrastructure projects</p>
<p><b>Program</b></p>	
<p>Bibliography</p>	<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</i>.</li> </ul>

	<p><i>Markets and strategies</i>, Cambridge University Press, 2<sup>nd</sup> edition</p> <ul style="list-style-type: none"> <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> <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>The knowledge of the fundamentals of Microeconomic theory and Mathematics for economists is an essential prerequisite. <b>Erasmus students</b> who consider attending classes and sitting in the exam are strongly advised to verify if they do match the requirement and are thus prepared for a fruitful engagement in the course.</p> <p>The organization of the exam sessions, as previously described, 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. Variations might be possible, should the evolution of the epidemic not allow for that, in which activities would take place online.</p>