

# EC231-15 Industrial Economics 1: Strategic Behaviour

21/22

**Department**

Economics

**Level**

Undergraduate Level 2

**Module leader**

Jonathan Cave

**Credit value**

15

**Module duration**

10 weeks

**Assessment**

Multiple

**Study location**

University of Warwick main campus, Coventry

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## Description

### Introductory description

This module focuses on strategic behaviour underlying the various reasons why there is a range of prices even for homogeneous goods, something not treated in traditional models. Thus for example, consumers' search behaviour, or lack of search, can influence how much they pay, as we see from energy markets, also access to information and firms' manipulation of information. Once we move beyond homogeneous goods, additional factors come into play, such as price discrimination/ differentiation, for example penalties for consumers who are loyal, and then there are non-price features, differing links between sellers and their suppliers, amongst other things. The approach involves a mixture of models and empirical illustrations and focuses on students' ability to understand real-world phenomena.

[Module web page](#)

### Module aims

This module aims at developing an understanding of a range of business pricing and related practices viewed through the lens of economics. Thus it aims to move from abstract modelling to explaining and understanding more practical phenomena.

## Outline syllabus

This is an indicative module outline only to give an indication of the sort of topics that may be covered. Actual sessions held may differ.

The module will typically cover the following topics:

Models of search and of switching behaviour and their implications; advertising, quality disclosure and acquisition. Price discrimination between consumers, including self-selection of tariffs; bundling of products, models of revenue management; auction mechanisms for selling goods and services. Vertical integration, vertical restraints and franchising; vertical linkages in electricity.

## Learning outcomes

By the end of the module, students should be able to:

- Subject Knowledge and Understanding:...understand the possibilities of and constraints in pricing differently to different groups of consumers, including those with differential knowledge of prices. The teaching and learning methods that enable students to achieve this learning outcome are: Lectures and seminars, including formative problem sets covered in seminars. The summative assessment methods that measure the achievement of this learning outcome are: Assessed problem set and examination.
- Subject Knowledge and Understanding:...understand the extent to which models in the above areas receive support from empirical studies. The teaching and learning methods that enable students to achieve this learning outcome are: Lectures and seminars. The summative assessment methods that measure the achievement of this learning outcome are: Assessed essay.
- Cognitive Skills:...have an appreciation of how to structure an argument and analysis. The teaching and learning methods that enable students to achieve this learning outcome are: Lectures and seminars, including formative problem sets covered in seminars. The summative assessment methods that measure the achievement of this learning outcome are: Assessed essay.
- Key Skills:...work in groups to achieve a desired outcome. The teaching and learning methods that enable students to achieve this learning outcome are: Formative and summative problem sets worked on in small groups.
- Subject Knowledge and Understanding:...understand reasons for and constraints on vertical relationships between activities. The teaching and learning methods that enable students to achieve this learning outcome are: Lectures and seminars, including formative problem sets covered in seminars. The summative assessment methods that measure the achievement of this learning outcome are: Assessed problem set and examination.

## Indicative reading list

Please see Talis Aspire link for most up to date list.

[View reading list on Talis Aspire](#)

## Subject specific skills

Students will have the opportunity to develop skills in:

Analytical thinking and communication

Analytical reasoning

Critical thinking

Creative thinking

Strategic thinking

Problem-solving

Abstraction

Policy evaluation

Analysis of institutions

Analysis of incentives

Analysis of optimisation

## **Transferable skills**

Students will have the opportunity to develop:

Research skills

Numeracy and quantitative skills

Data-based skills

IT skills

Written communication skills

Oral communication skills

Team work skills

Mathematical, statistical and data-based research skills

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## **Study**

### **Study time**

<b>Type</b>	<b>Required</b>
Lectures	20 sessions of 1 hour (13%)
Seminars	4 sessions of 1 hour (3%)
Private study	126 hours (84%)
Total	150 hours

### **Private study description**

Private study will be required in order to prepare for seminars/classes, to review lecture notes, to prepare for forthcoming assessments, tests, and exams, and to undertake wider reading around the subject.

### **Costs**

No further costs have been identified for this module.

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## Assessment

You do not need to pass all assessment components to pass the module.

### Assessment group D3

	Weighting	Study time
Coursework	10%	
1200 word essay		
Problem Set	5%	
Problem set		
Test (online)	5%	
Examination	80%	
A paper which examines the course content and ensures learning outcomes are achieved.		
~Platforms - AEP		

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- Students may use a calculator
  - Answerbook provided by department

### Assessment group R

	Weighting	Study time
Examination - Resit	100%	
A paper which examines the course content and ensures learning outcomes are achieved.		
~Platforms - AEP		

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- Answerbook provided by department
  - Students may use a calculator

### Assessment group R1

	Weighting	Study time
Examination - Resit	100%	

## Weighting

## Study time

- Answerbook provided by department
- Students may use a calculator

## Feedback on assessment

The Department of Economics is committed to providing high quality and timely feedback to students on their assessed work, to enable them to review and continuously improve their work. We are dedicated to ensuring feedback is returned to students within 20 University working days of their assessment deadline. Feedback for assignments is returned either on a standardised assessment feedback cover sheet which gives information both by tick boxes and by free comments or via free text comments on tabula, together with the annotated assignment. For tests and problem sets, students receive solutions as an important form of feedback and their marked assignment, with a breakdown of marks and comments by question and sub-question. Students are informed how to access their feedback, either by collecting from the Undergraduate Office or via tabula. Module leaders often provide generic feedback for the cohort outlining what was done well, less well, and what was expected on the assignment and any other common themes. This feedback also includes a cumulative distribution function with summary statistics so students can review their performance in relation to the cohort. This feedback is in addition to the individual-specific feedback on assessment performance.

[Past exam papers for EC231](#)

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## Availability

### Pre-requisites

EC208-15 Industrial Economics 1: Market Structure

EC208 is a pre-requisite for all students except L100

To take this module, you must have passed:

- All of
  - [EC208-15 Industrial Economics 1: Market Structure](#)

### Anti-requisite modules

If you take this module, you cannot also take:

- EC335-12 Managerial Economics
- EC335-15 Managerial Economics

## Courses

This module is Core for:

- UECA-3 Undergraduate Economics 3 Year Variants
  - Year 2 of L116 Economics and Industrial Organization
  - Year 2 of L116 Economics and Industrial Organization

This module is Optional for:

- TECA-L1PA Postgraduate Taught Economics (Diploma plus MSc)
  - Year 1 of L1PA Economics (Diploma plus MSc)
  - Year 1 of L1PA Economics (Diploma plus MSc)
  - Year 2 of L1PA Economics (Diploma plus MSc)
  - Year 2 of L1PA Economics (Diploma plus MSc)
- UECA-3 Undergraduate Economics 3 Year Variants
  - Year 2 of L100 Economics
  - Year 2 of L100 Economics
  - Year 2 of L100 Economics
- UECA-4 Undergraduate Economics 4 Year Variants
  - Year 2 of LM1H Economics, Politics & International Studies with Study Abroad
  - Year 2 of LM1H Economics, Politics & International Studies with Study Abroad
- UECA-LM1D Undergraduate Economics, Politics and International Studies
  - Year 2 of LM1D Economics, Politics and International Studies
  - Year 2 of LM1D Economics, Politics and International Studies
- Year 4 of UIBA-N140 Undergraduate International Business
- Year 4 of UIBA-N1R1 Undergraduate International Business with French
- Year 4 of UIBA-N1R2 Undergraduate International Business with German
- Year 4 of UIBA-N1R3 Undergraduate International Business with Italian
- Year 4 of UIBA-N1R4 Undergraduate International Business with Spanish
- Year 3 of UMAA-GL11 Undergraduate Mathematics and Economics
- UPHA-V7ML Undergraduate Philosophy, Politics and Economics
  - Year 2 of V7ML Philosophy, Politics and Economics (Tripartite)
  - Year 2 of V7ML Philosophy, Politics and Economics (Tripartite)
  - Year 2 of V7ML Philosophy, Politics and Economics (Tripartite)
- UPHA-V7MM Undergraduate Philosophy, Politics and Economics (with Intercalated year)
  - Year 4 of V7MQ Philosophy, Politics and Economics (Bipartite) with Intercalated Year
  - Year 4 of V7MH Philosophy, Politics and Economics - Economics/Philosophy Bipartite (Economics Major) (with Intercalated year)
  - Year 4 of V7MI Philosophy, Politics and Economics - Philosophy/Economics Bipartite (Philosophy Major) (with Intercalated year)
  - Year 4 of V7MJ Philosophy, Politics and Economics - Philosophy/Politics Bipartite (with Intercalated year)
  - Year 4 of V7MG Philosophy, Politics and Economics - Politics/Economics Bipartite (Politics Major) (with Intercalated year)

This module is Option list B for:

- UIBA-N203 BSc in International Management
  - Year 4 of N203 International Management

- Year 4 of N203 International Management
- Year 3 of UIBA-N201 BSc in Management
- Year 4 of UIBA-N202 BSc in Management (with Intercalated Year/UPP)
- Year 3 of UIBA-NN35 Undergraduate Accounting and Finance
- UIBA-NN36 Undergraduate Accounting and Finance (with Intercalated Year/Undergraduate Partnership Programme)
  - Year 4 of NN36 Accounting and Finance (Intercalated)
  - Year 4 of NN37 Accounting and Finance (Undergraduate Partnership Programme)