***Course Guide book February 2020***

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| C:\Users\user\Desktop\MAU logo.PNG  **MEKDELA AMBA UNIVERSITY;**  **COLLEGE OF BUSINESS AND ECONOMICS; ECONOMICS Program** | |
| Program | Economics |
| Course Title | **ecoNomics of industry** |
| Course Code | **Econ 3102** |
| Instructor | Mebtu M. |
| Office location: Academics Building F0; R9 |
| Email: mebtumelaku7@gmail.com |
| Credit HRs | 3 |
| Target Group | Third year Year Economics Students |
| Year /Semester | *Year III, Semester II* |

**COURSE Description**

Industrial Economics is the study of firms, industries and markets. It looks at firms of all sizes - from local corner shops to multinational giants and` it considers a whole range of industries, such as textile, electricity generation, car production and restaurants etc...When analyzing decision making at the levels of the individual firm and industry, Industrial Economics helps us understand such issues as:

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| Week | **LcHrs** | **Topics of the title** | | **Reference material** |
| **Chapter One: Introduction** | | | | |
| 1Week | 3Hours | * 1. Definition   2. Approaches to Industrial Economics   1.2.1.The structure –conduct-performance paradigm  1.2.2. The Chicago school of Thought  1.2.3. Institutional Economics | | Barthwal , Chapters. 1, page 2-6, chapter 4 page 49-70  Barthwal , chapter 4, page 49-70, and Carlton, D.W. and J.M. Perloff, Chapters. 1§ 9 page 2 -10, 331-369 |
| **Chapter Two: The Theory of the Firms** | | | | |
| 3Week | 9Hours | 2.1. The Life Cycle of Firm  2.2. Modern Theories of Firm  2.2.1. Managerial Theory of Firm  2.2.2. Principal Agent Theory  2.2.3. Transaction Cost Theory | | Barthwal , Chapters. 3, page 27-47 |
| 2.3. The Growth of Firm  2.3.1. Downie’s Theory  2.3.2. Penrose’s Theory  2.3.3. Mari’s Theory | | Barthwal , Chapters. 15, page 343-359 |
| **Chapter Three: Market Concentration** | | | | |
| 3weeks | 9hours | 3.1. Nature of Concentration  3.2. Theory of Concentration  3.3. Measures of Concentration  3.3.1. Concentration Ratio  3.3.2. The Hirschman-Herfindahl Index  3.3.3. The Entropy Index  3.3.4. The Dispersion method  3.3.5The Learner Index  3.3.6. The determinants of concentration | |  |
| **Chapter Four: Industrial Location Analysis** | | | | |
| 1 week | 3 hours | 4.1. Determinants of Industrial Location  4.2. Approaches to Industrial Location Analysis | | R.R.Barthwal  Page.No.361-380 |
| **Chapter Five: Analysis of Firm Structure** | | | | |
| 2 week | 6 hours | 5.1. Organization,Structure,Ownership and control of Firm  5.2. Goal and Objective of Firm  5.3. Legal Forms of Business  5.4. Structure conduct performance  5.5. Measurement of Market Performance and Market Structure. | | R.stead,P.Curwen and K.Lawler  Page No.64-81 |
| **Chapter Six: Diversification, Integration and Merger** | | | | |
| 3 week | 9 hours | 6.1. Vertical Integration and Vertical Restrictions  6.2. Vertical Relationship as a solution to Economic Problems  6.3. The reasons for and against vertical Integration  6.4. Merger and Takeover(Motives for Merger)  6.5. The effects of Merger on Competition | | R.R.Barthwal  Page.No.169-187 |
| **Chapter Seven: Advertisement** | | | | |
| 1 week | 3 hours | 7.1. Information and Advertisement  7.2. The Social benefit and cost of Advertising. | | Dr. K.G.GUPTA(Business Economics)  Page.No.B51-B64 |
| **Chapter Eight: Technological Progress** | | | | |
| 1 week | 3 hours | | 8.1. Stages of Technological change  8.2. Invention, Innovation and Diffusion | R.R.Barthwal  Page.No188-210 |
| **Chapter Nine: Industrial policy** | | | | |
| 1 week | 3 hours | | 9.1. Government Intervention  9.2. Review of Focuses of the Ethiopian Industrial Policy |  |

**\*\*NB:** This course needs practical observation in a field so that the theoretical concepts verified through practical observation. The load for the course is indicated in the load distribution of the course.

**Course Policy**

* Late coming is not allowed and no student is allowed to enter after class has started.
* Duplication of assignments is strictly forbidden; it entails serious penalty.
* Assignments are required to be submitted before or on the deadline.
* Cheating during exam sessions results in a minimum of “F “grade while cheating in quizzes and tests is subjected to a zero mark. All cheating cases will be reported to the department for further considerations.
* Students should switch off their cell phones while they are in class and must keep their cell phones switched off during all kinds of exam sessions.
* students must attend 80% of the class for the course. Failure to attend 80% of the class will not allow the student to sit for the final exam.
* Missing a quiz without convincing evidences will earn the students a grade of zero marks in that specific quiz
* Since field trips attached to the course are few in number, all students should the attend the field trips.

**Module Delivery Methods**

The delivery method shall be student-centered. Students are highly expected to participate in class works at the middle and end of each session and in group discussions inside and outside of the class. Specifically the course will be delivered through the following methods:

* Lecture Method
* In-class problem solving
* Group Work
* Assignments

**Assessment Methods**

Student evaluation in this module consist both formative and summative assessments including quizzes, test and final exam. Marks will be allocated according to the following grading schedule.

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| **Assessment method** | **Weight** |
| Assignment (Indiv/group) | 20% |
| Quizzes/Tests**(Max of 10 % each)** | 30% |
| Final Exam | 50 % |
| **Total** | 100% |

* **REFERENCES**
* **Core Text**
* Barthwal, R.R Industrial Economics: An Introductory Text book, Wiley Eastern Limited, New Delhi 1984
* Carlton, D.W. and J.M. Perloff, Modern Industrial Organization. 1990.

**Additional Reading Materials**

* Barthwal, R.R Industrial Economics: An Introductory Text book, Wiley Eastern Limited, New Delhi 1984.
* Clarke, R. Industrial Economics, Basil Blackwell, 1985.
* Carlton, D.W. and J.M. Perloff, Modern Industrial Organization. 1990.
* Ferguson, P.R. and G.J. Ferguson. Industrial economics: Issues and perspectives, 1994.

eory of Industrial Organisation, MIT Press, 1997.