

EAE2411: Economics of Global Competition

Strategic Rivalry, Market Power, and Competition Policy Across Borders

Course Synopsis and Syllabus

Pontificia Universidad Católica de Chile | Second Semester 2026 | Course taught in English

Instructor: I. Sebastian Buhai, PhD

Initial version: 1 August 2026; This version: 8 August 2026¹

Where the course begins

Two passengers on the same flight may have paid very different fares. A merger between firms headquartered abroad can change prices in Chile. A platform ranking can decide which seller is seen first.

These types of outcomes are typically familiar, though their causes may be less so. This course asks which mechanisms fit such facts, what evidence could rule them in or out, and what the answers imply for firm strategy or competition policy.

1. Course at a glance

Field	2026-2 course information
Course type and level	A 10-credit undergraduate elective (Optativo de Profundización, OPR), designed for the International Business and Economics minor and open to eligible students.
Language	English throughout: lectures, assessments, materials, and course communication.
Instructor	<u>I. Sebastian Buhai, PhD</u>
Regular lectures	Monday and Wednesday, Módulo 3, 11:00 to 12:10. The September exceptions are listed in Section 6.1.
Regular in-person TA/ ayudantía	Wednesday, Módulo 5, 14:50 to 16:00. The September swaps are listed in Section 6.1.
Midterm exam	Wednesday 7 October 2026, 14:50 to 16:00, in the reserved TA slot.
Final exam	Monday 30 November 2026, 11:00 to 13:00, in the official examination period.
Recommended background	Intermediate microeconomics and basic game theory. You should be comfortable with algebra and simple optimization, and able to read tables, graphs, and basic empirical evidence.
Canvas, contact, and office hours	Canvas is the official course platform and contact channel. I will post instructor and TA contact details, office hours, materials, grades, and announcements there.

A short introduction to the course: [watch the Ingeniería Comercial UC recorded video](#)

Calendar note

The calendar below follows the official 2026-2 schedule. There are no classes or TA sessions from 14 to 19 September, and no class on 12 October. The final exam takes place in the official examination period. Sections 5, 6, and 7 contain the full schedule.

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2. Course description, general objective, and structure

Prices are visible, but they are only one of the choices that shape competition. Firms decide whether to enter, how much capacity to build, which products to offer, how to write contracts, and, in platform markets, which rules others must follow. Industrial organization is useful precisely because perfect competition often misses those decisions. We will work with simple models, cases, and the available evidence, but the model is never the final answer. The aim is to teach a disciplined way of diagnosing competition problems in global markets and judging the strategies of firms and competition authorities.

2.1 A global and comparative perspective

The markets are often global, while the institutions are not. Trade, multinational production, global value chains, and digital platforms cross borders, while competition law is still enforced mainly by national or regional authorities. A merger or platform rule can therefore have different effects, and receive different treatment, across jurisdictions. We will move between Chile, the rest of Latin America, Europe, North America, and Asia without treating any one jurisdiction as the default. Some of our cases involve markets that no single authority can govern on its own.

¹ The only change from the initial syllabus version of Aug 1 to the current version of Aug 8 is to state more precisely the required readings from the course's two main companion books (Cabral IO2 and B&P IO2) for *some future course sessions, starting with Session 3 (Aug 12)*. No sessions before Session 3 are impacted.

Agency decisions and market studies will be read as economic evidence. We will look past the final decision to the mechanism, counterfactual, and facts that carried it. Authorities sometimes accept the same broad theory and still disagree sharply about the case, and the reason for that disagreement is often more revealing than a tidy consensus.

2.2 Six course blocks

Block	Core question	Representative topics
1. Market power and measurement	Why do real markets depart from competitive benchmarks?	Demand, elasticity, markups, market definition, concentration, barriers to entry, switching costs, scale, trade, and global value chains.
2. Pricing architecture	How do firms with market power design prices and products?	Monopoly pricing, welfare, discrimination, two-part tariffs, menus, bundling, subscriptions, versioning, algorithms, and arbitrage.
3. Oligopoly and strategic interaction	How does each firm respond when rivals also choose strategically?	Game theory, Bertrand, Cournot, differentiation, capacity, commitment, entry and exit, innovation, and global oligopolies.
4. Collusion and enforcement	When does rivalry weaken or break down?	Repeated interaction, cartel stability, facilitating factors, price wars, detection, screens, leniency, and international enforcement.
5. Platforms and digital markets	How do networks, data, and platform rules reshape competition?	Search and information frictions, two-sided markets, network effects, platform growth and pricing, data, ranking, interoperability, and gatekeeping.
6. Competition policy and regulation	When should public policy intervene, and how?	Welfare standards, market definition, mergers, abuse of dominance, exclusionary and vertical conduct, remedies, regulation, institutions, and error costs.

2.3 What this course emphasizes

- Start from a market fact. The model comes later, and only if it sharpens the diagnosis.
- Comparison is part of the method. A mechanism that fits one market may fail when institutions, entry conditions, or consumer behavior change.
- Digital markets are not just an appendix. Platform pricing, rankings, and data are studied with the same tools as pricing, entry, and oligopoly elsewhere.
- The algebra is manageable. The argument still has to be exact about assumptions, incentives, and counterfactuals.

3. Learning outcomes

At the end of the semester, you should be able to:

- Use demand, markups, concentration, market definition, and entry barriers to measure and interpret market power.
- Solve simple monopoly and oligopoly models, and explain what changes when firms choose prices or quantities, differentiate products, build capacity, move first, enter, or exit.
- Evaluate price discrimination, bundles, subscriptions, dynamic pricing, and platform price structures from both the firm's and the welfare perspectives.
- Analyze strategic interaction with best responses, Nash equilibrium, repeated games, and commitment.
- Explain when collusion can be sustained, what makes it fragile, and how detection and leniency alter incentives.
- Trace how information frictions, platform design, rankings, data, and network effects shape market access and competition.
- Assess a merger or exclusionary practice by stating the mechanism and counterfactual, using the relevant evidence, and taking possible efficiencies seriously.
- Compare how competition authorities reason in Chile, the United States, the European Union, and other jurisdictions, including in cross-border cases.
- Apply the course framework to an unfamiliar market, present the diagnosis clearly in English, and be explicit about the limits of the model, the evidence, and any eventual AI-assisted work.

4. How we will work

A typical class begins with a price pattern, a firm decision, or a policy dispute that is not always obvious to explain. We put possible mechanisms on the table and build the smallest model that can sort among them. Then we ask what evidence could change our mind. The counterfactual comes before the recommendation. I use the five labels below as shorthand. The order is more important than the labels.

Step	What we do
1. Puzzle	A market fact or policy dispute whose cause is not obvious.
2. Mechanism	An economic account, usually expressed in a simple model, that makes the incentives explicit.
3. Evidence	Facts or data that could support that account, undermine it, or favor another.
4. Counterfactual	The outcome we would expect if the conduct, merger, or rule were absent or changed.
5. Decision	The implication for firm strategy or public policy, together with the uncertainty that remains.

Teaching mode	Purpose
Lectures with short cases	A short case usually comes first. The model or diagram follows when it helps answer the economic question.
Classroom games and structured debates	Cournot and Bertrand games, a cartel simulation, merger hearings, and occasional debates between a firm and an authority.
TA sessions and applied exercises	Problem solving, supervised checks, and exam practice, with particular attention to concise written reasoning.
Competition briefs	Two individual memos. Each uses a model and evidence to diagnose a real market and reach a policy recommendation.
Market Puzzle Portfolio	Four short entries beginning with a market event or observation. Each proposes a mechanism and the evidence that would test it. With prior approval, two entries may be replaced by one deeper analysis.
Market diagnosis project	Teams diagnose one unfamiliar market and defend their reasoning in class.
Level and tools	Expect elasticity and marginal reasoning, simple diagrams and algebra, payoff matrices, best responses, and guided comparative statics. Strategic reasoning is built from first principles.
Expected weekly effort	A typical week includes two 70-minute lectures, one 70-minute TA session when scheduled, and about six to seven hours of independent work. That time covers preparation, problems, readings, briefs, portfolio entries, and the project. The load is uneven and rises around major assessments.

5. Assessment and key dates

The exams make up half of the course grade and are fully individual. The other assessments let you practice the same kind of diagnosis through supervised problems, two short policy memos, a team market diagnosis, and work sustained over the semester. The project is collaborative, but its questions and reflection are individual.

Component	Weight	Timing	Format and purpose
Midterm exam	20%	Wed 7 Oct 14:50 to 16:00	A 70-minute individual exam in the TA slot. It covers the first-half toolkit through Session 15. Sessions 16 and 17 are for consolidation and review; they add no new examinable content.
Final exam	30%	Mon 30 Nov 11:00 to 13:00	A 120-minute individual exam in the official period. Roughly two thirds concerns Blocks 4 to 6. The rest asks you to connect ideas across the course.
Four applied exercises in TA sessions	10%	Announced TA sessions	Four supervised checks built around a structured problem or short case. You work through each one with guidance, then submit a brief individual response. The best three scores are averaged and scaled to the full 10%; the lowest score is dropped.
Applied competition briefs	10%	Two short memos	Two individual briefs, worth 5% each. Each states the mechanism and counterfactual, uses the available evidence, considers both efficiencies and harm, and reaches a recommendation. Brief 2 concerns a platform rule, gatekeeping practice, or other conduct question covered through Session 26.
Market diagnosis team project	20%	Presentations 23 and 25 Nov	Teams map one market and defend the diagnosis. The team submission and presentation account for 15%; individual questions and a brief reflection account for the remaining 5%.
Participation and Market Puzzle Portfolio	10%	Across the semester	Preparation and constructive participation account for 5%. The other 5% comes from four short portfolio entries linking a real market puzzle to a mechanism and the evidence that could test it. With prior approval, two entries may be replaced by one deeper analysis. Checkpoints will be spread across the semester and posted on Canvas.
Total	100%		

Unless a task says otherwise, submit online work through Canvas by 23:59 on the date listed.

5.1 Assessment and practice calendar

Item	Target date	Purpose
Ungraded diagnostic	Wed 12 Aug	A low-stakes check of elasticity, marginal reasoning, concentration measures, and basic strategic intuition.
Applied Exercise 1	Wed 26 Aug	Practice market power, monopoly pricing, welfare, and concise economic explanation.
Applied Exercise 2	Wed 9 Sep	Practice Cournot, Bertrand, and model choice in the regular M5 TA session.
Brief 1 due	Wed 30 Sep	A Pricing Puzzle Memo on discrimination, dynamic pricing, bundling, subscriptions, or international pricing.
Midterm exam	Wed 7 Oct 14:50 to 16:00	The formal individual midterm in the TA slot.
Applied Exercise 3	Wed 21 Oct	Cartel screening, repeated interaction, inference, and enforcement incentives.
Brief 2 due	Fri 13 Nov	A Competition Authority Memo on a platform rule, gatekeeping practice, or other conduct question covered through Session 26.
Applied Exercise 4	Wed 18 Nov	Merger arithmetic, vertical or exclusionary conduct, and welfare reasoning.
Midterm make-up (if required)	Wed 25 Nov 14:50 to 16:00	A separate 70-minute test for students whose midterm absence was formally approved. If no make-up is required, the slot becomes final review.

Item	Target date	Purpose
Market diagnosis project	Mon 23 and Wed 25 Nov	Short team presentations, individual questions, and a final reflection.
Final exam	Mon 30 Nov 11:00 to 13:00	The formal individual final exam in the official examination period.
Deferred final exam	5 or 7 Jan 2027	For students with an approved final-exam absence who otherwise meet course eligibility; the Faculty assigns the exact date, time, and room.

5.2 Exam format and shared criteria

Each exam contains short explanations, analytical problems, and one applied case. I am deliberately leaving some time in the room: the midterm is written for about 55 to 60 minutes of work, and the final for about 100 to 105 minutes. The exact format and permitted materials will be announced in advance.

Criterion	What I will look for
Economic logic	Finds the relevant incentives and constraints, follows the strategic responses, and uses the appropriate counterfactual.
Model use	Chooses a model that fits the question and states the assumptions doing the work.
Evidence and institutions	Connects the model to the market facts and to the institutional setting.
Judgment	Draws a conclusion without hiding what remains uncertain, and identifies the information that would matter next.
Communication	Makes the economic argument concise and readable in English. Clarity of reasoning matters more than stylistic perfection.

6. Academic calendar and 30-session schedule

There are 30 lectures, each 70 minutes. September is the only part of the calendar that needs careful reading. While I am away, two regular lecture slots become TA-led clinics, and two Wednesday M5 slots are used for recovery lectures. The regular M5 TA still meets on 9 September. Everything else follows the official academic calendar.

6.1 Calendar exceptions and September timetable

Date	Scheduled activity	Reason and learning design
Wed 2 Sep	M3: Lecture Session 9 M5: Recovery Lecture Session 10	A double-lecture day. The displaced M5 TA is recovered on Monday 7 September in M3.
Mon 7 Sep	M3: TA-led recovery clinic, <i>No instructor lecture</i>	A TA-led clinic on game theory and strategic interaction.
Wed 9 Sep	M3: TA-led recovery clinic, <i>No instructor lecture</i> M5: Regular TA	A TA-led Cournot and Bertrand sequence. The regular M5 TA still meets.
Mon 14 to Sat 19 Sep	No class and no TA	Official teaching recess. No graded deadline; students may use the week to gather evidence for Brief 1.
Mon 21 Sep	M3: Lecture Session 11	Classes resume. Evaluations are still suspended, so no assessment is due.
Wed 23 Sep	M3: Lecture Session 12 M5: Recovery Lecture Session 13	A double-lecture day. The displaced M5 TA is recovered on Wednesday 9 September in M3.
Wed 7 Oct	M3: Review Session 17 M5: Midterm exam	The M3 review introduces no new examinable content.
Mon 12 Oct	No class	Legal holiday.
Mon 30 Nov	Final exam, 11:00 to 13:00	The first day of the official examination period.

6.2 Blocks and sequence

Block	Theme	Sessions	Pedagogical function
1	Market power: from puzzle to diagnosis	1 to 4	Build the basic diagnostic for demand, markups, concentration, market definition, entry, and global market structure.
2	Pricing architecture	5 to 9	Move from monopoly welfare to the design of prices, menus, bundles, and subscriptions, then add dynamics and arbitrage.
3	Oligopoly as strategic interaction	10 to 17	Use game theory to compare Bertrand and Cournot competition, then study differentiation, entry, exit, and innovation.
4	Collusion and cartel enforcement	18 to 21	Ask how collusion is sustained, detected, and deterred across jurisdictions.
5	Platforms and digital markets	22 to 25	Add information frictions, reputation, network effects, platform pricing, data, and gatekeeping.
6	Competition policy, mergers, and regulation	26 to 30	Put the course tools to work on mergers, exclusion, regulation, and remedies.

6.3 Session plan and reading notation

The session tables use short titles for the books: Cabral IO2, B&P IO2, B&P Platforms, Salop, and Motta. Full references are in Section 8. Chapter numbers point to useful companions; I will post exact required pages, cases, and notes on Canvas.

Block 1. Market power: from puzzle to diagnosis

#	Date and slot	Topic	Core concepts	Companion reading and applied lens
1	Wed 5 Aug M3	Market puzzles and the IO lens	Competitive benchmarks, market power, strategy, evidence, counterfactuals, and the course logic.	Reading: Cabral IO2, Ch 1; B&P IO2, Ch 1. Cases: airfare, cross-border merger, platform ranking.
2	Mon 10 Aug M3	Demand, elasticity, and markups	Demand, elasticity, marginal revenue, pricing power, pass-through intuition, and the Lerner index.	Reading: Cabral IO2, 2.1 to 2.2 and 3.2. Optional refresher: Section 8.3.
3	Wed 12 Aug M3	Measuring market power	Relevant markets, market shares, concentration ratios, the Herfindahl-Hirschman Index (HHI), direct and indirect evidence, and measurement limits.	Reading: Cabral IO2, 5.3; the opening “Measuring Market Concentration and Market Power” section of Ch 10; and 10.3 selected; B&P IO2, 2.3. *TA (in M5): ungraded diagnostic and HHI practice. (See the TA schedule below.)
4	Mon 17 Aug M3	Entry, exit, scale, and global market structure	Entry and exit, sunk costs, scale economies, imports, multinationals, global value chains, and local versus global competition.	Reading: Cabral IO2, Ch 10; B&P IO2, Ch 4 and 16 selected. Cases: aircraft, chips, shipping, or cloud.

Block 2. Pricing architecture

#	Date and slot	Topic	Core concepts	Companion reading and applied lens
5	Wed 19 Aug M3	Monopoly pricing and welfare	Price and output choice, producer and consumer surplus, deadweight loss, efficiency, and regulation intuition.	Reading: Cabral IO2, 5.3; B&P IO2, 2.1.4 and 2.2.2 selected. *TA (in M5): ungraded market-power and welfare clinic. (See the TA schedule below).
6	Mon 24 Aug M3	Price discrimination and segmentation	First-, second-, and third-degree discrimination, willingness to pay, segmentation, and arbitrage constraints.	Reading: Cabral IO2, 6.1 to 6.2; B&P IO2, Ch 8. Cases: airlines, European cars, pharmaceuticals.
7	Wed 26 Aug M3	Menus, two-part tariffs, and bundling	Self-selection, nonlinear pricing, versioning, membership fees, pure and mixed bundling, and subscriptions.	Reading: Cabral IO2, 6.2 to 6.3; B&P IO2, Ch 9 and 11. *TA (in M5): Applied Exercise 1, followed by nonlinear-pricing and bundling practice. (See TA schedule below).
8	Mon 31 Aug M3	Dynamic pricing and algorithms	Intertemporal pricing, capacity, demand uncertainty, durable-goods intuition, surge pricing, and algorithmic prices.	Reading: B&P IO2, 10.1 to 10.3 selected; Cabral IO2, 3.2 and 6.2 selected; instructor note on capacity, demand uncertainty, surge pricing, and algorithms. Cases: airlines, ride-hailing, events, online retail.
9	Wed 2 Sep M3	International pricing and arbitrage	Pricing to market, geographic segmentation, parallel trade, exchange rates, local demand, and regulatory constraints.	Reading: B&P IO2, 8.3.3; instructor note on parallel trade, exchange rates, local demand, and regulatory constraints. Brief 1 released.

Block 3. Oligopoly as strategic interaction

#	Date and slot	Topic	Core concepts	Companion reading and applied lens
10	Wed 2 Sep M5	Games and the two canonical oligopoly models	Players, actions, payoffs, best responses, Nash equilibrium, timing, and the contrast between quantity and price competition.	Reading: Cabral IO2, Ch 7 to 8; B&P IO2, Ch 3 and Appendix A.1 to A.2. Recovery lecture (instead of the TA; displaced TA recovered <i>Monday 7 Sep M3</i> , see TA schedule).
11	Mon 21 Sep M3	Cournot competition, concentration, and entry	Quantity choice, reaction curves, number of firms, markups, concentration, free entry, and welfare.	Reading: Cabral IO2, 8.2 to 8.4 and Ch 10; B&P IO2, 3.2 and 4.2. No assessment due.
12	Wed 23 Sep M3	Bertrand competition, differentiation, and capacity	Price choice, the Bertrand benchmark, differentiated products, capacity constraints, and model selection.	Reading: Cabral IO2, 8.1 and 8.3; B&P IO2, 3.1 and 3.3.
13	Wed 23 Sep M5	Product differentiation and location	Horizontal and vertical differentiation, Hotelling intuition, quality, branding, and strategic positioning.	Reading: Cabral IO2, Ch 14; B&P IO2, Ch 5. Recovery lecture (instead of the TA session; displaced TA recovered on Wed 9 Sep M3, see the TA schedule).
14	Mon 28 Sep M3	Entry, commitment, and strategic barriers	Sunk costs, capacity commitments, entry deterrence, accommodation, limit-pricing intuition, and raising rivals' costs.	Reading: Cabral IO2, Ch 10 and 12.1 to 12.2 selected; B&P IO2, Ch 16. Cases: airlines, telecoms, retail, cloud.
15	Wed 30 Sep M3	Innovation, dynamic competition, and global oligopolies	Innovation incentives, strategic investment, standards, global supply chains, and competition among a few major firms.	Reading: Cabral IO2, Ch 15 and 16.2 to 16.3 selected; B&P IO2, Ch 18. Research debate: Aghion et al. vs. Igami. Brief 1 due. *TA (in M5): First-half integration/ exam clinic (See the TA schedule below)

#	Date and slot	Topic	Core concepts	Companion reading and applied lens
16	Mon 5 Oct M3	First-half integration clinic	From puzzle to model, comparative statics, evidence, counterfactual, and structured written diagnosis.	No new theory. Mock questions and case synthesis.
17	Wed 7 Oct M3	Review and bridge to collusion	Concept map, model choice, common errors, exam strategy, and the transition from rivalry to repeated interaction.	No new examinable content in the usual lecture this day. *Midterm (in M5) , 14:50 to 16:00. (See also TA schedule)

Block 4. Collusion and cartel enforcement

#	Date and slot	Topic	Core concepts	Companion reading and applied lens
18	Wed 14 Oct M3	Cartels and collusive pricing	Explicit coordination, tacit coordination, joint profits, deviation incentives, and the economic meaning of agreement.	Reading: Cabral IO2, 9.1 and 9.3; B&P IO2, 14.1 to 14.2. Cases: vitamins, trucks, and Chilean enforcement.
19	Mon 19 Oct M3	Repeated games and cartel stability	Discounting, punishment, transparency, demand shocks, multimarket contact, price wars, and facilitating factors.	Reading: Cabral IO2, 7.3 and 9.1 to 9.3; B&P IO2, 14.2. Activity: cartel game.
20	Wed 21 Oct M3	Detecting cartels and screening markets	Price and bid screens, parallel conduct, communication evidence, false positives, and limits of inference.	Reading: Cabral IO2, 9.4 to 9.5; B&P IO2, 14.3. *TA (in M5): Applied Exercise 3. Optional Chassang and Ortner paper. (See also the TA schedule table below.)
21	Mon 26 Oct M3	Leniency and global enforcement	Self-reporting incentives, deterrence, immunity design, evidence, cross-border investigations, and enforcement coordination.	Reading: B&P IO2, 14.3; Salop, Ch 6 to 7 selected. Cases: leniency across jurisdictions.

Block 5. Platforms and digital markets

#	Date and slot	Topic	Core concepts	Companion reading and applied lens
22	Wed 28 Oct M3	Search, information, reputation, and quality	Search costs, price dispersion, adverse selection, ratings, reviews, certification, reputation, and platform trust.	Reading: B&P IO2, 7.1, 12.1, 13.2, and Ch 23 selected; B&P Platforms, Ch 2. Cases: eBay, Amazon, Booking.com. *TA (in M5): Search, reputation, and platform trust: market exercise (See also TA schedule table below)
23	Mon 2 Nov M3	Networks, platforms, and market architecture	Direct and indirect network effects, platform typology, multi-homing, interoperability, tipping, and chicken-and-egg problems.	Reading: Cabral IO2, Ch 16; B&P IO2, Ch 20 to 22 selected; B&P Platforms, Ch 1 and 3.
24	Wed 4 Nov M3	Platform growth and pricing	Price structure versus price level, divide-and-conquer strategies, participation, subsidies, monetization, and competing platforms.	Reading: B&P IO2, 22.3; B&P Platforms, Ch 4 to 5. *TA (in M5): platform pricing and growth workshop. (See also the TA schedule below)
25	Mon 9 Nov M3	Data, ranking, design, and gatekeeping	Recommendations, data feedback loops, self-preferencing, default rules, platform governance, contestability, and cross-border regulation.	Reading: B&P IO2, 23.1 to 23.2 selected; B&P Platforms, Ch 2 and 6; Salop, Ch 11 selected. Cases: app stores, search, marketplaces.

Block 6. Competition policy, mergers, and regulation

#	Date and slot	Topic	Core concepts	Companion reading and applied lens
26	Wed 11 Nov M3	What should competition policy optimize?	Consumer and total welfare, efficiency, innovation, contestability, fairness, administrability, error costs, and decision theory.	Reading: Motta, Ch 1 to 2; Salop, Ch 1 to 3. Brief 2 due Fri 13 Nov, 23:59. *TA (in M5): policy decision framework. (See the TA schedule.)
27	Mon 16 Nov M3	Market definition and horizontal mergers	Hypothetical-monopolist test and SSNIP intuition, substitution and diversion, direct evidence, unilateral and coordinated effects, efficiencies, entry, counterfactuals, and remedies.	Reading: Cabral IO2, Ch 11; B&P IO2, Ch 15; Motta, Ch 3 and 5; Salop, Ch 12.
28	Wed 18 Nov M3	Exclusionary conduct and vertical strategy	Predation, exclusivity, tying, bundling, rebates, foreclosure, vertical restraints, double marginalization, and efficiencies.	Reading: Cabral IO2, Ch 12 to 13; B&P IO2, 16.2 to 16.3 and 17.1 to 17.4 selected; Salop, Ch 8 to 11. *TA (in M5): Applied Exercise 4. (See also TA schedule.)
29	Mon 23 Nov M3	Regulation, buyer power, institutions, and remedies	Regulated markets, monopsony and buyer power, procurement, institutional capacity in emerging economies, behavioral and structural remedies, comparative enforcement.	Reading: Cabral IO2, 5.4 to 5.6; Motta and Salop selected. Market project presentations.
30	Wed 25 Nov M3	The global competition analyst	Full-course synthesis, model choice, evidence plans, comparative policy reasoning, uncertainty, and communication.	Remaining market project presentations. Final exam integration and review. *TA (in M5): final review (or conditional midterm make-up if needed). (See also the TA schedule table below)

7. TA / ayudantía schedule

The “ayudantía” is not merely a second run through the lectures, but where you shall work through the algebra, make model choice routine, and learn how much can be said in a short analytical answer. It also provides the supervised checks and most of the exam practice. The table includes the two recovery clinics in M3 and the midterm in the M5 slot on 7 October.

Date and slot	TA focus	Learning purpose
Wed 12 Aug, M5	Ungraded diagnostic and HHI practice	See where the class is starting and practice concentration measures without grading pressure.
Wed 19 Aug, M5	Market power and welfare clinic (ungraded)	Practice marginal reasoning, monopoly, welfare, and concise explanation without a graded submission.
Wed 26 Aug, M5	Applied Exercise 1: market power, pricing, and welfare	Work through a guided problem, then submit a brief individual response. Use the remaining time to extend the analysis to nonlinear pricing and bundling.
Mon 7 Sep, M3	Recovery TA (instead of the lecture class): game theory foundations	Build fluency with best responses, Nash equilibrium, timing, and payoff matrices during the September adjustment.
Wed 9 Sep, M3	Recovery TA (instead of the lecture class): Cournot workshop	Derive reaction functions and compare concentration, output, and price during the September adjustment.
Wed 9 Sep, M5	Applied Exercise 2: Bertrand and model choice	Complete a supervised individual check on price and quantity competition, capacity, and differentiation.
Wed 30 Sep, M5	First-half integration and exam clinic	Choose the right model, plan a clear answer, and practice a mini-case.
Wed 7 Oct, M5	Midterm exam	Formal 70-minute individual assessment.
Wed 14 Oct, M5	Repeated games and cartel simulation	Connect repeated interaction to deviation, punishment, and stability.
Wed 21 Oct, M5	Applied Exercise 3: cartel screening	Use stylized prices or bids, then separate suggestive patterns from proof and discuss false positives.
Wed 28 Oct, M5	Search, reputation, and platform trust	Analyze ratings, reviews, information, and incentives in a simple platform exercise.
Wed 4 Nov, M5	Platform pricing and growth workshop	Work through participation externalities, subsidies, and price structure.
Wed 11 Nov, M5	Competition policy decision framework	Apply the full decision sequence: mechanism, counterfactual, evidence, efficiencies, error costs, and remedy.
Wed 18 Nov, M5	Applied Exercise 4: merger and exclusion	Complete a supervised individual check on theories of harm, efficiencies, foreclosure, and evidence.
Wed 25 Nov, M5	Conditional midterm make-up / final review	Students with an approved midterm absence sit the separate make-up test. If no make-up is required, the slot is used for final review.

TA slot swaps

Because the M5 slots on 2 and 23 September are used for recovery lectures, there is no TA in those slots. The displaced practice is recovered in M3 on 7 and 9 September. No class or TA meets on 16 September during the official teaching recess.

8. Readings and course resources

Cabral and Belleflamme-Peitz are *companion books*, hence not volumes to be read from cover to cover. For many sessions, the required preparation will instead be one of my notes, a short case, a guided problem, a public document, or a named excerpt. You do not necessarily need to buy either book. I will use Canvas and UC resources to make required material available whenever possible.

8.1 Companion and reference books

Resource	Status and use
Cabral IO2 Luis Cabral, <i>Introduction to Industrial Organization</i> , 2nd ed. (2017)	The main companion textbook. Access details will appear on Canvas. Students using the first edition will receive a chapter crosswalk and notes on the material added in the second.
B&P IO2 Paul Belleflamme and Martin Peitz, <i>Industrial Organization: Markets and Strategies</i> , 2nd ed. (2015)	The second main companion, particularly useful for pricing, oligopoly, collusion, entry, vertical relations, innovation, and platforms. Canvas will contain access details and, if needed, an edition crosswalk.
Jeffrey Church and Roger Ware, <u>Industrial Organization: A Strategic Approach</u> (2000)	<i>Freely available online.</i> An optional IO companion for anyone who wants more derivations, exercises, or antitrust applications.
Steven C. Salop, <u>Modern Economic Analysis and Antitrust Law: A Guide</u> (2026)	<i>Freely available online.</i> An antitrust companion used selectively in Blocks 1, 4, and 6 and for the policy briefs.
B&P Platforms Paul Belleflamme and Martin Peitz, <i>The Economics of Platforms</i> (2021)	The specialist reference for Block 5. Selected chapters support the sessions on platform types, reputation, network effects, growth, pricing, and design. Access details will appear on Canvas.
Motta Massimo Motta, <i>Competition Policy: Theory and Practice</i> (2004)	An advanced reference for Block 6, used selectively for policy objectives, market power, collusion, mergers, vertical restraints, and exclusion. Access details will appear on Canvas.

An advanced research or policy paper will be assigned only when it adds something the two main books and cases cannot supply. When that happens, I will give you a short guide to the part that matters for our purposes.

8.2 Approximate chapter guide by block

Block	Main companion chapters	Targeted extensions
1	Cabral IO2, Ch 1 to 5 and Ch 10 selected, including the opening measurement section of Ch 10. B&P IO2, Ch 1 to 2, 4, and 16 selected.	Salop, Ch 1 to 3 selected. Optional micro refreshers only as needed.
2	Cabral IO2, Ch 5 to 6 selected, with 3.2 used for the dynamic-pricing bridge. B&P IO2, Ch 8 to 11.	Instructor cases on airline, pharmaceutical, software, subscription, and algorithmic pricing.
3	Cabral IO2, Ch 7 to 8, 10, 12, and 14 to 16 selected. B&P IO2, Ch 3 to 5, 16, and 18.	Church-Ware selected. Aghion et al vs. Igami (papers) debate on competition and innovation.
4	Cabral IO2, 7.3 and Ch 9. B&P IO2, Ch 14.	Salop, Ch 6 to 7 selected. Agency cases + optional guided excerpt from the review paper by Chassang and Ortner.
5	Cabral IO2, Ch 16. B&P IO2, Ch 7, 12 to 13, and 20 to 23 selected.	B&P Platforms, Ch 1 to 6 selected.
6	Cabral IO2, Ch 5 and 11 to 13. B&P IO2, Ch 15 to 17.	Motta, Ch 1 to 7 selected. Salop, Ch 1 to 3 and 8 to 13 selected.

8.3 Optional microeconomics refreshers

These open books are there for students who want to revisit a piece of microeconomics or mathematics, and they do not count as assigned IO reading.

Resource	Useful for	Access
Luis Cabral, <i>Introduction to Microeconomics</i> (2024)	Demand, costs, pricing, equilibrium, welfare, and basic game theory.	Author-hosted PDF book
CORE Econ, <i>Microeconomics</i>	Accessible explanations, applications, interactive material, and data.	Open book online
Samuel Bowles and Simon D. Halliday, <i>Microeconomics: Competition, Conflict, and Coordination</i> (2022)	Incentives, strategic interaction, institutions, and welfare.	Author-hosted PDF book

Access principle

You can complete the course using instructor materials, assigned public documents, and resources available through UC. I will link open materials; copyrighted texts will be accessed under UC rules.

9. Recurring cases and activities

Several cases will come back later in the semester. That repetition is intentional. A familiar case can produce a different diagnosis once an assumption changes or new evidence arrives. I may replace a case when a more current example serves the same purpose.

Activity	What students do	When used
Market power diagnosis	List the plausible sources of market power in a product or service, then say what evidence would distinguish among them.	Block 1 and Applied Exercise 1
Airline pricing case	Explain fare differences through segmentation, capacity, timing, and the limits of arbitrage.	Block 2 and Brief 1
Cournot-Bertrand classroom game	Choose quantities or prices over several rounds, then compare what happened with the equilibrium predictions.	Block 3
Cartel simulation and screening exercise	Experience the temptation to deviate and the effect of punishment, then inspect stylized price or bid data and discuss false positives.	Block 4 and Applied Exercise 3
Platform-rule exercise	Change one platform rule, such as ranking or access, and trace the consequences for users and firms.	Block 5
Competition Authority Memo	Recommend action on a platform rule, gatekeeping practice, or other conduct question covered through Session 26. State the mechanism and counterfactual, use the evidence, address efficiencies and error costs, and propose a proportionate remedy.	Blocks 5 to 6 and Brief 2
Market diagnosis team project	Map an unfamiliar market and defend a diagnosis of conduct, market power, and possible harm. State the efficiencies and the evidence still missing.	Blocks 1 to 6

10. Course expectations and policies

Expectation	Course practice
Preparation	When I assign preparation, it will be short and specific. Complete it before class and bring your attempt.
Participation and portfolio	Discussion, simulations, TA work, and the four portfolio entries all count. The essential parts are the preparation and substance, not how much airtime someone takes.
English	Everything is taught and assessed in English. I will judge the economics before the idiom: a concise, precise argument matters more than flawless English.

Expectation	Course practice
Academic integrity and the UC Honor Code	This course is committed to building a culture of respect and integrity and therefore adheres to the UC Honor Code. Everyone who participates in the course shares responsibility for strengthening a culture of Academic Integrity by acting in accordance with honesty, truthfulness, trust, fairness, respect, and responsibility, and by acting honestly in all academic work. In practical terms, what you submit must reflect your own understanding, and sources, collaboration, and other outside assistance must be acknowledged as required by University rules.
AI-assisted tools	UC Level 1 - Not permitted: the ungraded diagnostic; all supervised Applied Exercises; the midterm, midterm make-up, final, and deferred final; live in-class participation; the individual oral questioning during the project presentations; and any project reflection completed under supervision. Generative AI may not be used in these activities. UC Level 2 - Restricted: Briefs 1 and 2, the Market Puzzle Portfolio, the written and preparatory parts of the team Market Diagnosis Project, and any project reflection completed outside supervised class time. AI may be used only to generate questions or initial ideas, test counterarguments, check calculations after an independent attempt, and improve language or presentation. It may not produce the submitted economic analysis, evidence, citations, recommendation, or conclusions. Each take-home submission must state the tool used, the purpose, what was checked or corrected, and any errors found; if no generative AI was used, say so explicitly. Retain drafts, version history, or prompt records when requested. You remain responsible for all content. Deliberate omission, concealment, or falsification of the disclosure is an academic-integrity violation and a breach of the UC Honor Code.
Justifications and missed assessments	Absence justifications are handled centrally by the Faculty Student Affairs Office or by your home academic unit. I cannot approve them directly. Travel is not an accepted ground, and an assessment that has been taken will be graded.
Eligibility for the final exam	To sit the final exam, you must already have grades covering at least 35 percentage points of the course, excluding any make-up test. There is no exemption from the final. If you are ineligible, the final course grade is the pre-exam grade when that grade is below 4.0, and 3.9 otherwise.
Passing the course	The minimum passing final grade is 4.0. The course has no additional minimum grade requirement for the final examination or for any individual assessment.
Midterm make-up	If a midterm absence is formally approved, you must take a separate 70-minute make-up on Wed 25 Nov, M5, 14:50 to 16:00. It replaces the missed midterm, cannot itself be justified, and nonattendance receives grade 1.0.
Deferred final exam	With an approved absence from the final and otherwise valid exam eligibility, you take the deferred exam on 5 or 7 Jan 2027, as assigned by the Faculty. The deferred exam is not eligible for regrading.
Return and regrading of assessments	Graded work would typically be returned within 15 business days. Submit any request to regrade in-semester work in writing within five business days of its return. Final-exam regrading is requested only through the Faculty Intranet, no later than the third calendar day after the exam is returned or the grade is notified.
Accessibility and inclusion	Students who need accommodations should follow UC procedures and contact the relevant unit early. We will sometimes disagree sharply about evidence or policy; criticism should stay with the argument, not the person. Both written and spoken participation will be used where appropriate.
Feedback	The feedback will focus on model choice, the counterfactual, and the link between evidence and conclusion. Common problems will be taken up in TA sessions, and rubrics will be available before major assessments.
Schedule changes	I may update cases or readings when a newer development serves the topic better. Any change to dates, weights, or required work will be communicated clearly and in accordance with university rules.