MASTER BDEEM | COURSE SYLLABUS

Markets and Competition

Understanding market structures, strategic interaction and competitive equilibrium

MASTER BDEEM
Behavioral and Digital Economics for Effective Management

PROGRAMME	SEMESTER	CREDITS	CONTACT HOURS
Master 1	Semester 1	3 ECTS	24h Lectures

Course Description

This course introduces the principal forms of market competition and examines how firms behave under different competitive environments. It covers perfect competition, monopoly, oligopoly and monopolistic competition, with particular attention to the distinction between price-taking and price-making behaviour.

Students analyse strategic interaction between firms, price and quantity competition, sequential decision-making, collusion, capacity constraints, product differentiation, incomplete information and pricing strategies. The course develops the economic reasoning required to identify market structures and evaluate firm behaviour and equilibrium outcomes.

Learning Outcomes

- Identify the form of competition prevailing in a given market.
- Distinguish price-taking from price-making behaviour.
- Explain strategic interaction in price and quantity competition.
- Determine an appropriate competitive strategy for a firm.
- Recognize equilibrium outcomes associated with different market structures.
- Apply comparative statics to assess the effects of market changes.
- Evaluate the role of capacity constraints, differentiation and information.
- Connect market-competition concepts with other courses in the master's programme.

Indicative Content

1. **Perfect competition**: price-taking firms, market equilibrium and efficiency.
2. **Monopoly**: market power, pricing decisions, output choice and welfare effects.
3. **Oligopoly**: strategic interdependence, price and quantity competition.
4. **Sequential competition**: first-mover and follower behaviour in asynchronous games.
5. **Collusion**: incentives to cooperate, stability and limits of coordination.
6. **Capacity constraints**: production limits and their effects on competition.
7. **Product differentiation**: monopolistic competition, positioning and pricing.
8. **Incomplete information**: uncertainty about rivals and strategic responses.

Teaching & Learning Approach

The course combines economic models, graphical reasoning, comparative statics and applied market examples. Students are encouraged to interpret theoretical results, identify relevant assumptions and connect competition models to managerial and policy questions.

Assessment

Written examination
or
Oral presentation