



Advanced Diploma in Human Resource Management (631) – Industrial Organisation

Prerequisites: Knowledge of human resource activities.	Corequisites: A pass or higher in Diploma in Human Resource Management or equivalence.
<p>Aim: Industrial organisation (IO) is the study of imperfect competition. This course provides an overview of IO theory and empirical work with a focus on some active research fields. The goal of the course is that you develop fluency in the language of IO economists and become familiar with a set of useful tools. The course provides candidates with a framework of economic analysis to understand strategic interactions between firms. It goes beyond classical economic theory and introduces the latest analytical microeconomic models to discuss the relationship between industry structure, conduct and performance. The course focuses mainly upon the theory of the firm and the industry, with an emphasis upon oligopoly theory; but it also addresses empirical applications of the theory. While it emphasizes oligopolies, there will be occasional consideration of competitive and monopolistic markets. The latter market structures may be useful as benchmarks against which to compare the predicted outcome of oligopoly markets, and in some cases may be of interest in their own right when considering some of the topics of this course. Main focus upon market structure, firm conduct, and economic performance of industries. Of special interest is firms' strategic behaviour in price and non-price competition. The types of behaviour, or conduct, include oligopoly pricing and production, strategic entry deterrence, location strategies, product differentiation, advertising, and research and development. The effects of firms' conduct upon economic welfare and feedback effects upon market structure are examined.</p>	
Required Materials: Recommended Learning Resources.	Supplementary Materials: Lecture notes and tutor extra reading recommendations.
Special Requirements: The course requires a combination of lectures, demonstrations and discussions.	
<p>Intended Learning Outcomes:</p> <p>1 Understand economic organisations and efficiency</p> <p>2 Understand organisational strategic approaches.</p> <p>3 Be able to illustrate vertical and virtual boundaries.</p> <p>4 Explore horizontal boundaries and diversification.</p> <p>5 Analyse growth and entrepreneurship</p>	<p>Assessment Criteria:</p> <p>1.1 Describe how a firm creates value</p> <p>1.2 Define what determines the strategic environment within a firm</p> <p>1.3 Define an organisational structure framework</p> <p>2.1 Illustrate how firms exist</p> <p>2.2 Define how transaction costs arise</p> <p>2.3 Define dynamic development</p> <p>2.4 Describe governance approach and contractual relationships</p> <p>3.1 Describe vertical integration</p> <p>3.2 Define asset specificity</p> <p>3.3 Analyse situations which would not encourage vertical integration</p> <p>3.4 Describe the impacts of e-Commerce</p> <p>4.1 Define economies of scale</p> <p>4.2 Explain cumulative production</p> <p>4.3 Describe an economy of scope</p> <p>4.4 Explain the advantages and disadvantages of diversification</p> <p>5.1 Compare and contrast diversification and growth</p> <p>5.2 Define entrepreneurship</p> <p>5.3 Explain the differences between ventures</p>

	and firms
6 Understand corporate control and organisational design	6.1 Describe advantages and disadvantages of centralisation 6.2 Explain the characteristics of behavioural theories 6.3 Be able to describe advantages of stakeholder approach 6.4 Illustrate Leibenstein's concept of X-inefficiency
7 Be able to analyse the importance of wages, incentives and human resources.	7.1 Describe the neo-classical model of the demand for labour 7.2 Analyse justification for paying efficiency wages 7.3 Explain bilateral monopoly 7.4 Define economic rent
8 Be able to describe market structures and the strategic environments. Understand imperfect competition and government intervention	8.1 Describe a business strategy 8.2 Define the structure conduct performance paradigm 8.3 Be able to illustrate cross price elasticity 8.4 Describe barriers to entry and exit influence market structure 8.5 Describe the Porters Five Forces model 8.6 Define pure monopoly 8.7 Explain the Lerner index 8.8 Define characteristics of an oligopolistic industry
9 Describe the advantages and disadvantages of dominant firms	9.1 Define characteristics of a dominant firm 9.2 Describe the stackelberg model 9.3 Describe predatory pricing stage processes
10 Understand price discrimination	10.1 Define first, second and third degree price discrimination 10.2 Describe bundling
11 Understand reputation and vertical restraints	11.1 Describe the importance of reputation 11.2 Define vertical restraint
12 Understand product differentiation and advertising	12.1 Describe chamberlain's model of monopolistic competition 12.2 Describe Lancaster's attributes model 12.3 Describe the consumption of a veblem good
13 Understand competitive advantage, invention and innovation	13.1 Define invention, innovation and diffusion 13.2 Describe the purpose of a patent




Recommended Learning Resources: Industrial Organisation

- Industrial Organisation: Competition, Strategy, Policy, 2nd Edition by John

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Text Books	<p>Lipczynski, John Wilson and John Goddard. ISBN-10: 0273688022</p> <ul style="list-style-type: none"> • Introduction to Industrial Organization by Luis M. B. Cabral. ISBN-10: 0262032864 • Understanding Industrial Organisations: Theoretical Perspectives in Industrial Sociology by Prof Rich Brown. ISBN-10: 0415017823
Study Manuals 	<p>BCE produced study packs</p>
CD ROM 	<p>Power-point slides</p>
Software 	<p>None</p>