

Industrial Organisation and Competition Economics

ECO7006A - Fall 2021

SCHOOL of ECONOMICS
UNIVERSITY OF EAST ANGLIA

ASSESSMENT BRIEF

Lectures:	TBA	Convenor:	Farasat A.S. Bokhari
Seminars:	TBA	Email:	f.bokhari@uea.ac.uk
Lecturer(s):	FB (Bokhari); BL (Lyons); MK (Kummer); FM (Mariuzzo)	Office:	Registry 3.12a
Term:	Fall 2021	Tel:	+44 (160) 359-7534

This document complements the module outline for ECO 7006-A. It concentrates on providing further information concerning assessment items for the course. For each assessment item, the document repeats the relevant information from the module outline and adds more detail.

Summative Assessments

- There are two pieces of assessments. The first is a 2000 words term paper/essay and the second is an exam. Both carry 50% weight towards your final grade.
- For the essay, a 1-2 page proposal should be turned in by the end of week eight to receive short feedback. One of the lecturers will discuss your proposal with you in week 9. The final paper is due by end of week eleven on Friday of week 11 by 3pm.
- The date and time of the final exam will be set by the University. You will be given 24 hours to complete the exam and to upload your solution. It is recommended that you spend a maximum of 4 hours completing this examination.

Requirements for the Term paper. You should pick a contemporary market in which firms practice either 1) *product differentiation* (horizontal or vertical) or 2) *price discrimination* or 3) *cartel*. You should analyse the case at hand in terms of the economic concepts introduced in the relevant lectures. No formal modelling is per se required, but you are expected to make significant use of the concepts acquired in class.

You are expected to go beyond a simple restatement of the theories taught in class. This includes: 1) providing a relatively detailed and well researched description of the analyzed firm practices 2) showing how they can potentially be explained in terms of the theories learned and 3) discussing what seems to be missing in the theories learned in class. The latter task might naturally lead you to discuss extensions of the theories learned in class, either by discussing later important and interesting papers in the literature (as found online after some independent literature search), or by proposing your own potential amendments/extensions.

The essay has to be written such that the lecturer as well as anyone taking this course would be able to understand it. In other words, you are allowed to refer to technical terms as well as mechanisms and results that have been seen in the course.

Instructions specific to the topics of product differentiation and price discrimination: You are expected to describe the behavior of at least two firms. Ideally, these would be using slightly

different strategies which can be usefully contrasted with each other. Examples of potentially relevant product types and industries: cars, clothing, bicycles, tech hardware, telecommunications, transport, energy sector. As part of your analysis, you should also make sure to discuss whether consumers, on the whole, seem to benefit from the phenomenon studied. If you were a regulator, would you be concerned with the observed practices? Why, and if so how would you intervene?

Instructions specific to the topic of cartel: Consult the EU Commission or the CMA webpages and choose to analyse and discuss one of the cartel decisions.¹ Describe the cartel and put it in the context of the material covered in class. Research the market and describe the current state of competition (in the market) after the cartel has broken down. The idea is to identify the main players (companies); find out their market shares (if possible). If you were to find data, please feel free to report summary statistics. Search for academic work on the cartel decision and/or any newspaper/news agency documenting it. Also, check whether the cartel members appeared in other cartels and discuss their recidivism.

Grading Policy The grading of the essay will be done using the standard ECO Coursework Feedback Sheet. The latter document specifies 5 dimensions along which an essay is evaluated. Each of these dimensions is allocated a weight (in %). Your overall essay score (out of 100) will be obtained by taking an average of the scores (from 1 to 100) obtained on each dimension, weighted by their announced weight. The dimensions are as follows.

- (1) Learning outcomes: Overall assessment on the learning outcomes; understanding of the link between theory and evidence (5%).
- (2) Understanding & validity of argument: Clear understanding of the topic/issues; coherent exposition. A main idea here is the logical validity and coherence of the argument. A second aspect is the level of depth and sophistication of the presented argument (30%).
- (3) Analysis and critical thinking: Critical and appropriate use of concepts, models and/or quantitative techniques. A main idea here is the ability to take a critical distance to theories and evaluate their strengths and weaknesses (20%).
- (4) Research: Use of sources and evidence e.g. relevant literature beyond lecture notes, use of data & evidence. A main idea here is that the student went beyond completely standard material contained in lecture notes. This includes the choice of an original question or theory or the use of original data (30%).
- (5) Written communication. Clarity of arguments, quality of writing. The main concern here is the formal quality of the writing (15%).

Final Exam Format. The final exam will also be worth 50% of the mark. It will be administered per the University's set date and time. The university's guideline is that this year the exams will be given over 24 hours and online. It is recommended that you spend a maximum of 4 hours completing this examination.

The exam questions will be similar to the seminar questions and lecture content. The final exam will have two sections.

- In section A you will be asked to solve problems. You will have to do two out of four questions.
- In Section B, there will be discursive essay-based questions. Again, you will have to do two out of four questions.

¹EU Commission webpage: <https://ec.europa.eu/competition/elojade/isef/index.cfm> and the CMA webpage: <https://www.gov.uk/cma-cases>.

- The weights across sections A and B will be 50% and 50% respectively. Each question on the exam will clearly indicate the points for that question.

Some general advice for exam questions. If you get stuck with computations, please explain how to think about the problem. What are the steps required to obtain a solution to the question asked? Passing the exam does not require you to perfectly answer every question! Remember that a good and fair exam needs to 1) guarantee that a student who understands the essentials will pass AND 2) allow an outstanding student to show his/her outstanding level of understanding.

Word Limit

There is a word limit both for the term paper and the essay-based questions in the exam (that latter will be provided in the exam section). If you are within 10% over the word limit, there will be no penalty. Beyond that, the examiner may choose to ignore what you write.

Formative Assessments

Formative assessments do not contribute to the computation of your final grade. They do however help you prepare better for the summative part, i.e., the exam and/or the term paper.

Initial feedback on term paper. As described earlier, there will be a preliminary meeting regarding your term paper in which one of the lecturers will provide feedback on your initial 1-2 page draft. This constitutes as a formative assessment.

Weekly Seminars. Throughout the semester, there will be a weekly seminars. During these sessions, we will provide solutions to the week's exercise set (on the topic of the previous week's lecture) or discuss other applied topics. Active engagement by students is expected. The exercise sets and accompanying discussion provide a good preparation for the final exam, and therefore also constitute a form of formative assessment.