ECON3009
Firm Behaviour and Strategy
Session 1, In person-scheduled-weekday, North Ryde 2024

Department of Economics

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General Information

Unit convenor and teaching staff
Unit convenor and lecturer
Rohan Best
rohan.best@mq.edu.au

Credit points
10

Prerequisites
ECON2003 or ECON203

Corequisites

Co-badged status

Unit description
This unit applies the tools of microeconomic theory to the study of firm behaviour in imperfectly competitive markets where strategic interactions affect the industry outcomes. It addresses key questions such as: how firms make important decisions regarding what to produce, how much to produce, and how to price output depending on the level of competition they face; how do they decide optimal levels of advertising or R&D; and how do firms behave in markets where network issues are important? Students learn how to see markets, firms and government as three different institutional structures that serve to accomplish economic objectives. Topics covered may include oligopoly market structures, anti-competitive actions such as predatory behaviour and collusion, and non-price models of competition related to advertising, R&D and network economics.

Important Academic Dates
Information about important academic dates including deadlines for withdrawing from units are available at https://www.mq.edu.au/study/calendar-of-dates

Learning Outcomes
On successful completion of this unit, you will be able to:

ULO1: Effectively communicate theories and knowledge of industrial organisation and strategic interactions in technical and non-technical language.
ULO2: Analyse the relevance of industrial organisation and business strategies to everyday economic life.
ULO3: Evaluate real-world applications of economic theory relevant to efficiency and
equity considerations, from a broad ethical perspective.

**General Assessment Information**

**Late submissions of assessments**

**Late Assessment Submission Penalty (written assessments)**

Unless a Special Consideration request has been submitted and approved, a 5% penalty (of the total possible mark) will be applied each day a written assessment is not submitted, up until the 7th day (including weekends). After the 7th day, a grade of ‘0’ will be awarded even if the assessment is submitted. Submission time for all written assessments is set at 11.55pm. A 1-hour grace period is provided to students who experience a technical concern. For any late submissions of time-sensitive tasks, such as scheduled tests/exams, performance assessments/presentations, and/or scheduled practical assessments/labs, students need to submit an application for **Special Consideration**.

**Assessment Tasks**

<table>
<thead>
<tr>
<th>Name</th>
<th>Weighting</th>
<th>Hurdle</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class test</td>
<td>25%</td>
<td>No</td>
<td>Week 6 and Week 10</td>
</tr>
<tr>
<td>Research assignment</td>
<td>25%</td>
<td>No</td>
<td>Week 9 and Week 13</td>
</tr>
<tr>
<td>Final examination</td>
<td>50%</td>
<td>No</td>
<td>University Examination Period</td>
</tr>
</tbody>
</table>

**Class test**

Assessment Type $^1$: Quiz/Test  
Indicative Time on Task $^2$: 10 hours  
Due: **Week 6 and Week 10**  
Weighting: **25%**

The class test(s) will include multiple choice questions and will be held during lecture time.

On successful completion you will be able to:

- Effectively communicate theories and knowledge of industrial organisation and strategic interactions in technical and non-technical language.
- Analyse the relevance of industrial organisation and business strategies to everyday economic life.

**Research assignment**

Assessment Type $^1$: Report  
Indicative Time on Task $^2$: 20 hours  
Due: **Week 9 and Week 13**
Weighting: 25%

Detailed information about the Research Assignment will be provided on iLearn and during lectures.

On successful completion you will be able to:

• Analyse the relevance of industrial organisation and business strategies to everyday economic life.
• Evaluate real-world applications of economic theory relevant to efficiency and equity considerations, from a broad ethical perspective.

Final examination

Assessment Type 1: Examination
Indicative Time on Task 2: 35 hours
Due: University Examination Period
Weighting: 50%

A two-hour examination, consisting of multiple choice and short answer questions, will be held during the University Examination Period.

On successful completion you will be able to:

• Effectively communicate theories and knowledge of industrial organisation and strategic interactions in technical and non-technical language.
• Evaluate real-world applications of economic theory relevant to efficiency and equity considerations, from a broad ethical perspective.

1 If you need help with your assignment, please contact:

• the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
• the Writing Centre for academic skills support.

2 Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation

Delivery and Resources

Refer to iLearn for details of delivery
Unit Schedule

<table>
<thead>
<tr>
<th>Topic #</th>
<th>Topic(s)</th>
<th>Textbook chapters (Pepall, Richards, Norman - see iLearn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction; Microeconomics review</td>
<td>1,2</td>
</tr>
<tr>
<td>2</td>
<td>Market structure and power; Technology and cost</td>
<td>3,4</td>
</tr>
<tr>
<td>3</td>
<td>Price discrimination</td>
<td>5,6</td>
</tr>
<tr>
<td>4</td>
<td>Auctions: Basic Theory and Applications</td>
<td>23</td>
</tr>
<tr>
<td>5</td>
<td>Product variety and quality</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>Bundling and tie-in sales</td>
<td>8</td>
</tr>
<tr>
<td>7</td>
<td>Cournot competition; Price competition</td>
<td>9,10</td>
</tr>
<tr>
<td>8</td>
<td>Price competition (cont.); Dynamic games</td>
<td>10,11</td>
</tr>
<tr>
<td>9</td>
<td>Entry deterrence and predation; Predatory conduct</td>
<td>12,13</td>
</tr>
<tr>
<td>10</td>
<td>Price fixing, repeated games and antitrust</td>
<td>14</td>
</tr>
<tr>
<td>11</td>
<td>Advertising, market power and information; Research and development</td>
<td>19,20</td>
</tr>
<tr>
<td>12</td>
<td>Research and development (cont.); Patents and patent policy</td>
<td>20,21</td>
</tr>
<tr>
<td>13</td>
<td>Network Issues</td>
<td>22</td>
</tr>
</tbody>
</table>

Policies and Procedures

Macquarie University policies and procedures are accessible from Policy Central (https://policies.mq.edu.au). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- Academic Appeals Policy
- Academic Integrity Policy
- Academic Progression Policy
- Assessment Policy
- Fitness to Practice Procedure
- Assessment Procedure
- Complaints Resolution Procedure for Students and Members of the Public
- Special Consideration Policy

Students seeking more policy resources can visit Student Policies (https://students.mq.edu.au/student-policies/su)
Student Support

It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

To find other policies relating to Teaching and Learning, visit Policy Central (https://policies.mq.edu.au) and use the search tool.

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: https://students.mq.edu.au/admin/other-resources/student-conduct

Results

Results published on platform other than eStudent, (eg. iLearn, Coursera etc.) or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in eStudent. For more information visit ask.mq.edu.au or if you are a Global MBA student contact globalmba.support@mq.edu.au

Academic Integrity

At Macquarie, we believe academic integrity – honesty, respect, trust, responsibility, fairness and courage – is at the core of learning, teaching and research. We recognise that meeting the expectations required to complete your assessments can be challenging. So, we offer you a range of resources and services to help you reach your potential, including free online writing and maths support, academic skills development and wellbeing consultations.

Student Support

Macquarie University provides a range of support services for students. For details, visit http://students.mq.edu.au/support/

The Writing Centre

The Writing Centre provides resources to develop your English language proficiency, academic writing, and communication skills.

- Workshops
- Chat with a WriteWISE peer writing leader
- Access StudyWISE
- Upload an assignment to Studiosity
- Complete the Academic Integrity Module

The Library provides online and face to face support to help you find and use relevant information resources.

- Subject and Research Guides
- Ask a Librarian

https://unitguides.mq.edu.au/unit_offerings/166752/unit_guide/print
Student Services and Support

Macquarie University offers a range of Student Support Services including:

- IT Support
- Accessibility and disability support with study
- Mental health support
- Safety support to respond to bullying, harassment, sexual harassment and sexual assault
- Social support including information about finances, tenancy and legal issues
- Student Advocacy provides independent advice on MQ policies, procedures, and processes

Student Enquiries

Got a question? Ask us via AskMQ, or contact Service Connect.

IT Help

For help with University computer systems and technology, visit http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/.

When using the University’s IT, you must adhere to the Acceptable Use of IT Resources Policy. The policy applies to all who connect to the MQ network including students.

Changes since First Published

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/02/2024</td>
<td></td>
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Unit information based on version 2024.04 of the Handbook