

Econometrics of Competition

Course title - Intitulé du cours	Econometrics of Competition
Level / Semester - Niveau /semestre	M2 / S1
School - Composante	Ecole d'Economie de Toulouse
Teacher - Enseignant responsable	BONNET CELINE
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
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Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Lecture Hours - Volume Horaire CM	30
TA Hours - Volume horaire TD	
TP Hours - Volume horaire TP	0
Course Language - Langue du cours	Anglais
TA and/or TP Language - Langue des TD et/ou TP	Anglais

Teaching staff contacts - Coordonnées de l'équipe pédagogique :

Céline Bonnet

celine.bonnet@tse-fr.eu

MS106

mode d'interaction : email pour prendre éventuellement un rendez-vous

Course's Objectives - Objectifs du cours :

This course is divided in two parts. The first part aims to give students an introduction to the empirical analysis of market power and competition policies by preparing them to understand econometric methods and to interpret results. The second part is devoted to practical exercises and an application in order to answer to a question of competition policy with data and econometric software.

Outline of the first part

Section I: Simple indicators

- I.1. The relevant market (SSNIP test)
- I.2. Measure of market power (HHI, concentration ration)
- I.3. Measure of consumers' substitutions (Diversion Ratio, IPR, GUPPI, UPP)

Section II: Structural Econometrics

- II.1. Introduction and Definition

II.2. Measurement of market power with differentiated products

II.2.1 Neoclassical demand system (AIDS, Multistage Budgeting)

II.2.2 Random utility approach (logit, nested logit, random coefficient logit)

II.3. Competition analysis

II.3.1 Supply models (Oligopolistic competition, vertical relationships)

II.3.2 Tests between supply models

II.4. Merger/acquisition analysis

Prerequisites - Pré requis :

The students need basic knowledge of econometric methods and software.

Practical information about the sessions - Modalités pratiques de gestion du cours :

Laptops will be useful for practical exercises and the project.

Grading system - Modalités d'évaluation :

The grade of this class will be based on a project.

Bibliography/references - Bibliographie/références :

- Werden G. J., and L. M. Froeb (2006), "Unilateral Competitive Effects of Horizontal Mergers", Handbook of Antitrust Economics
- Reiss, P., and F. Wolak (2006), "Structural Econometric Modelling: Rationales and Examples from Industrial Organization", Handbook of Econometrics, Volume 6
- Bishop, S. And Walker, M. "The Economics of EC Competition Law", Sweet and Maxwell