

IE 543 INDUSTRIAL ECONOMICS spring -2022

Instructor : Çağlar Güven

Hours:

Textbook:

Microeconomics, Theory and Applications with Calculus, 4th ed. Jeffrey M Perloff, Pearson, 2018

Course Objective:

Most industrial engineers are involved in management decisions having organisation-wide effects. Such decisions require an integrated, industry-wide perspective that must be supported by a knowledge of underlying economic structures. Issues concerning competition, marketing, finance, technology management etc. are better understood when we understand how markets do and do not work. This course helps to acquire an economy-theoretic basis to understand such issues.

At the end, the successful student will have developed a capacity for basic quantitative analysis that will provide economic insight and support for managerial decision making.

Course outline and syllabus:

Content comprises a survey of microeconomic theory at an intermediate level, concentrating on market structures, pricing decisions, regulation and agency. Coverage places less emphasis on consumption and production in favour of topics such as property rights, market failures and contracts.

In general we follow the textbook aided by extra material in the lectures. All of this will be included in power-point files and uploaded to the course page at <https://odtuclass.metu.edu.tr>.

It should be noted that the power-point files and the lectures are just a summary of the relevant material in the textbook which the students will be expected to study in further detail.

A tentative syllabus and the corresponding book chapters follows, though not all sections of each chapter will be covered entirely.

introduction (chapter1)

supply and demand (chapter 2)
overview of consumption and production (sections from chapters 3, 5, 6, 7)
competition (chapters 8, 9)
monopoly (chapter 11)
pricing and advertising (chapter 12)
oligopoly (chapter 14)
general equilibrium (chapter 10)
market failure (chapters 17, 18)
contracts (chapter 19)

Conduct and evaluation:

Advance preparation is required for lectures. Attendance will be taken. An office hour will also be set. There will be voluntary homeworks, quizzes, one or two midterms and a final examination. (This could change once course format is finalised).