

General Course Information:

BUEC 7203-001-20033.BUEC Economics of Strategic Behavior
8:30am 4:30pm
BTBA room RTBA

Instructor Information:



[Bruce C. Greenwald](#)

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Course Description

This course is designed to reinforce and develop student abilities to apply the concepts of industry analysis and game theory that were introduced in the core course in Business Economics (B7005). The vehicle for doing this will be predominantly case analyses since the ability to use the course concepts effectively will come largely from repeated application of those concepts. The topics covered will be (1) the dynamics of entry and the impact of global competition, (2) the strategic imperatives of competitive markets, (3) sources of competitive advantage (local and global), (4) managing competitive interactions (cooperation and preemption), (5) bargaining situations, (6) the impact of information distribution, and (7) financial implications of strategic economics. The course will consist of approximately one-third lectures and two-thirds cases. The emphasis in the course is on the ability to apply a small number of principles effectively and creatively, not the mastery of detailed aspects of the theory. For this reason the case discussion classes are particularly important. Grading will be based equally on (1) a paper (no more than 10 pages of text plus exhibits) on an appropriate business problem to be chosen by the student, and (2) class participation throughout the term. The assigned text for the course is Coopetition by Adam Brandenburger and Barry J. Nalebuff, Doubleday, NY, 1996. There are no specific readings assigned to each class, since the book is (a) relatively easy to read and (b) a complement rather than a substitute for lectures and case discussions. The specific topics and cases are listed below, with assignment questions for the case discussions attached to this syllabus.

Syllabus

This course is designed to reinforce and develop student abilities to apply the concepts of industry analysis and game theory that were introduced in the core course in Business Economics (B7005). The vehicle for doing this will be predominantly case analyses since the ability to use the course concepts effectively will come largely from repeated application of those concepts. The topics covered will be (1) the dynamics of entry and the impact of global competition, (2) the strategic imperatives of competitive markets, (3) sources of competitive advantage (local and global), (4) managing competitive interactions (cooperation and preemption), (5) bargaining situations, (6) the impact of information distribution, and (7) financial implications of strategic economics. The course will consist of approximately one-third lectures and two-thirds cases. The emphasis in the course is on the ability to apply a small number of principles effectively and creatively, not the mastery of detailed aspects of the theory. For this reason the case discussion classes are particularly important. Grading will be based equally on (1) a paper (no more than 10 pages of text plus exhibits) on an appropriate business problem to be chosen by the student, and (2) class participation throughout the term. The assigned text for the course is Coopetition by Adam Brandenburger and Barry J. Nalebuff, Doubleday, NY, 1996. There are no specific readings assigned to each class, since the book is (a) relatively easy to read and (b) a complement rather than a substitute for lectures and case discussions. The specific topics and cases are listed below, with assignment questions for the case discussions attached to this syllabus.

<u>Date/Class No.</u>	<u>Topic/Case</u>	<u>Assignment</u> (*see attached pages for case assignment questions)
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Sept. 12	(1) Introduction to Economics of Strategic Behavior	None
	(2) Introduction to Industry Analysis/Competitive Advantage	

<u>Date/Class No.</u>	<u>Topic/Case</u>	<u>Assignment</u> (*see attached Pages for case assignment questions)
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Sept. 27	(3) Walmart	In Casebook*
	(4) Phillips CD Introduction	In Casebook*
Oct. 10	(5) Adolph Coors in the Brewing	In Casebook*

	(6)	Industry Compaq Computer	In Casebook*
Oct. 11	(7)	Apple Computer 1992	In Casebook*
	(8)	Competitive Decision-Making Pricing and Prisoners Dilemma	
Oct. 24	(9)	Coke vs. Pepsi	In Casebook*
	(10)	Fox Broadcasting Entry and Capacity Competition	In Casebook* <u>Co-opetition</u> , Pt. II
Nov. 8	(11)	Kiwi International: Airline Industry 1978-88	In Casebook*
	(12)	Polaroid vs. Kodak Bargaining Equilibria	In Casebook* <u>Co-opetition</u> , Pt. II
Nov. 21	(13)	Nintendo in 8-bit Video Games	In Casebook*
	(14)	Marketing Practices in the Lead- Based Gasoline Industry	In Casebook*
Dec. 5	(15 & 16)	Bittersweet Competition: The Holland Sweetener Co. vs. Apartame	In Casebook* In Casebook*
Dec. 6	(17 & 18)	Valuations & Mergers and Acquisitions	
Dec. 12	(21)	Sealed Air--	In Casebook*
	(22)	Summary & Conclusion	