

MW 60: Network Economics				Study programme	M
Module type:	ECTS points:	Workload:	Semester of study:	Duration of the module:	
Compulsory Elective	8	240	2 nd or 4 th	one semester	
Courses:			Contact hours:	Independent study:	Planned group size:
Course 1: Network Economics (2 semester hours per week)			30h	90h	50
Course 2: Network Economics – Exercise (2 semester hours per week)			30h	90h	50
Learning objectives and competences:					
<p>After completing the module, students are able to</p> <ul style="list-style-type: none"> - describe competition in network markets using the methods of industrial economics and enumerate and describe the characteristics of markets for information goods such as complementarities, critical mass, and network externalities; - explain to what extent competition in network markets and information markets are subject to different laws than in traditional markets; - explain under what circumstances monopolies are potentially vulnerable or persistent; - explain and critically assess why competitive equilibrium is inefficient in network markets and information markets; - analyse specific questions from network and information economics by using microeconomics methods; <p>based on exercise tasks, use and apply the expertise acquired in course 1.</p>					
Key competences:					
<ul style="list-style-type: none"> - problem-solving skills - critical thinking - analytical skills - independent work - willingness to learn and perform - written communication skills 					
Course content:					
<p>Course 1: Network and information goods economics</p> <ol style="list-style-type: none"> 1. Qwertynomics (“economics of standardisation”) 2. Compatibility in the hardware industry 3. Compatibility and diversity in the software industry 4. Standardisation and technical progress 5. Switching costs and network effects 6. Coordination failures and experiments 7. Information goods markets 8. Two-sided markets 					

Course 2: Network and information goods economics – Exercise Cf. Content of course 1
Language:
Language of the course is English.
Teaching forms:
Lecture, group work, independent study
Applicability of the module:
MSc Business Administration (BWL), MSc VWL, MSc Economics, MSc Mathematics, MSc Business Chemistry
Requirements for participation:
Admission to the Master’s study programs in Business Administration, VWL, Economics, Mathematics or Business Chemistry. A good understanding of microeconomics is required.
Forms of examination:
The final module examination takes place at the end of the summer semester in the form of a written test (60 minutes).
Requirements for the award of ECTS points:
Passing the final module examination. A final module examination is successfully passed if the grade is at least “sufficient” (4.0). Regular attendance of the course is compulsory.
Frequency:
The courses take place usually every academic year in the summer semester.
Significance of the grade for the final grade:
This module is graded and taken into account when calculating the overall grade of your Master’s degree. For more detailed information on the calculation of the overall grade, please refer to the applicable examination regulations of your respective study program.
Module supervisors and full-time lecturers:
Prof Dr Christian Wey and research assistants at DICE.
Other information:
Up-to-date information can be found on the DICE website. It is possible to write a term paper as part of the key qualifications.

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