

ECO 469-569 INDUSTRIAL ORGANIZATION
Fall 2008

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Welcome to my class! A successful class can not be made without effective communications between teacher and students. I encourage you provide any valuable feedback, by all means.

As **teacher** I have the following **responsibilities**:

1. Design my class to facilitate your learning
2. Come to every class with well thought-out presentation
3. Consider that it is not always your fault if you don't understand the material
4. Create a mutually respectful classroom environment
5. Not to get defensive when you politely question my grading

As **students** you have the following **responsibilities**:

1. Complete all work on time with proper thought
2. Consider that it is not always my fault if you don't understand the material
3. When you don't understand or feeling you have missed something, ask questions and catch up in time
4. Do ask questions. It is a sign of maturity, not ignorance
5. Treat others and me with respect
6. Understand that I don't benefit from "nit-picking" when I grade, however critical thinking is essential to Economics

Class Time and Room:

Tuesday and Thursday 12:30-1:50 PM, Class Room – 228 NSC.

Office Hours: Tuesday and Thursday 2 – 3 PM or by appointment.

Course Objective: IO studies the strategic behavior of firms, the structure of markets and their interactions. In other words, it considers how firms are organized and how they compete. It is relevant to firms, governments, legal system, consumers, investors and analysts of specific industries and firms, and so on.

Course materials:

1. **Textbook:** Modern Industrial Organization by Dennis Carlton and Jeffrey Perloff, 4th ed.
2. Handouts will be available on the UBlearns the evening before every class
3. Other reading materials or assignments will also be available on the UBlearns

Prerequisite: Econ 405 (Microeconomic Theory).

Grading:

1. Contribution to the class: 5%, (asking questions, sharing your ideas, correcting my errors, making suggestions; if you just show up, 2%)
2. Two quizzes: 20%, (10% each, open book)
3. Two midterm exams: 40%, (20% each)
4. Final exam: 35% (cumulative, closed book, I will replace the lower midterm grade by this one if that helps)
5. There will be no make up exams unless verifiable authentic documentation is provided due to serious health reasons.
6. Homework: 10% (Done in groups. This 10% is “free” as long as you show me the effort.)

Academic Integrity:

In strict accordance with the University Policy, any violations to the Academic Honesty Code will be reported to the chair of Economics Department. Whatever verdict the Chair gives will be implemented.

Tentative Course Outline:

Date	Chapter	Topic	Notes
26-Aug		Introduction	
28-Aug	1	A historical review	
2-Sep	2	Review of Costs	
4-Sep	3	Review of competition	
9-Sep	4	Monopoly and dominant firm	
11-Sep	4		
16-Sep	9	Price discrimination	Quiz 1
18-Sep	10		
23-Sep	12	Vertical relationship,	
25-Sep	2	Merger and acquisition	Problem set 1 assigned
30-Sep			Holiday
2-Oct	7	Monopolistic Competition	
7-Oct	7		Problem set 1 due
9-Oct			Holiday
14-Oct	Review		
16-Oct			Midterm 1
21-Oct	6	Oligopoly	
23-Oct	11	Strategic behavior	
28-Oct	8	Structure and Performance	Quiz 2
30-Oct	13	Information	
4-Nov	14		Problem set 2 assigned
6-Nov	16	Patents and technological change	
11-Nov	16		
13-Nov	18	Government policies	Problem set 2 due
18-Nov	Review		
20-Nov	19		Midterm 2
25-Nov	19		Problem set 3 assigned
27-Nov			Holiday
2-Dec	20		Problem set 3 due
4-Dec	Review		

Note: Midterm 1 covers Ch 2, 3, 4, 9,10
 Midterm 2 covers Ch 12, 2,7, 6, 11, 8