

Economics 317: Industrial Organization

Fall 2021

Syllabus

October 1, 2021

- Instructor:** Dr. Alexandr Moskalev
(he/him/his)
moskalev@oberlin.edu
- Class:** Tuesday & Thursday, 3:00 pm to 4:15 pm, King 337
- Office Hours:** Tuesday 4:30 - 5:30 PM, Rice Hall 210 *and by appointment.*
Wednesday 2 - 4 PM, Rice Hall 210
Thursday 1 - 2 PM, Rice Hall 210

Please check <https://alexmoskalev.com/officehours> for any changes and to request an appointment.

Course Description: This course builds upon microeconomic theory, empirical evidence, and modern antitrust policy practice to explain behavior of profit seeking enterprises in markets without perfect competition. The course provides an overview to the major topics in the field of Industrial Organization and it presents a foundation for students interested in the further study of the field.

Prerequisites: The course features extensive use of algebra, calculus, and microeconomic theory (at intermediate level).

Readings: I will follow closely *Industrial Organization: Contemporary Theory and Empirical Applications* (Wiley-Blackwell, 2014) 5th Edition by Lynne Pepall, Dan Richards, and George Norman. This is a required reading for this course.

Over the course of the semester, I will update the anticipated schedule in this syllabus to clarify the required chapters and to enrich the reading list with additional materials.

Grading: I will use the following components for grading purposes:

- 20%  Homework
- 30%  Midterm
- 40%  Final
- 10%  Class participation

Homework: will consist of 6 problem sets. To accommodate possible absences due to illness or other unforeseen factors, I will drop the lowest score. A non-submitted assignment results in a zero grade for it.

Class participation: To measure class participation I will conduct 2 – 4 "pop-up quizzes" that will include a few basic questions/problems based on recently covered material. Additional points for class participation may be assigned for attending calculus refresher. Points earned by a student under class participation category will be capped at 10 (10% of class grade).

Schedule:

Introduction

- Oct. 5** Introduction to IO, basic Micro, and calculus
 Chapters 1, 2 and respective Appendices
- Oct. 7** Market Structure and Market Power
 Chapter 3
- Oct. 12** Technology and Cost
 Chapter 4 and its Appendix

Monopoly Power

- Oct. 14** Price Discrimination: Linear Pricing
 Chapter 5 and its Appendix
- Oct. 19** Price Discrimination: Linear/Nonlinear Pricing
 Chapter 5, 6
- Oct. 21** Price Discrimination: Nonlinear Pricing
 Chapter 6
 ⚠️ *HW 1 Due*
- Oct. 26** Product Variety and Quality
 Chapter 7
- Oct. 28** Commodity Bundling and Tie-in Sales
 Chapter 8 and its Appendix
 ⚠️ *HW 2 Due*

Strategic Interaction

- Nov. 2** Static Games and Cournot Competition
 Chapter 9
- Nov. 4** Oligopolistic Price Competition
 Chapter 10
- Nov. 9** Oligopolistic Price Competition/Dynamic Games
 Chapters 10 and 11
 ⚠️ *HW 3 Due*
- Nov. 11** Dynamic Games
 Chapter 11

Midterm

Nov. 16 Review before the Midterm

⚠ *HW 4 Due*

Nov. 18 Midterm in class

Anticompetitive Strategies

Nov. 30 Entry Deterrence

 Chapter 12

Dec. 2 Predatory Conduct, Limit Pricing

 Chapter 13

Dec. 7 Price Fixing and Repeated Games

 Chapter 14

Contractual Relations

Dec. 9 Horizontal Mergers and Product Differentiation

⚠ *HW 5 Due*  Chapter 15

Dec. 14 Horizontal Mergers and Product Differentiation

 Chapter 15

Dec. 16 Vertical Mergers

 Chapter 16

Non-Price Competition

Dec. 21 Advertising, Market Power, and Information

 Chapter 19

Topics in IO

Jan. 4 Network Issues

 Chapter 22

Jan. 6 Auctions

⚠ *HW 6 Due*  Chapters 22, 23

Jan. 11 Auctions, Strategic Commitments

 Chapters 23, 24
(if time permits)

Jan. 13 Strategic Commitments

 Chapters 24
(if time permits)

Final Exam

Jan. 23 A take-home Final Exam (non-cumulative)

⚠ *Final Exam*

Midterm Regrade Requests: For the midterm, you must submit a regrade request within 10 days of distributing the graded midterm workbooks in class. After carefully reviewing the posted midterm solutions and comparing it to what you have written directly in your midterm, you must provide a three paragraph explanation: one paragraph detailing how your written answer is similar to the posted solutions, another paragraph detailing how your written answer is different than the posted solutions, and a final paragraph explaining why the awarded points do not accurately reflect your score. Your regrade request must be submitted to me in hard copy. After submission, I will reply within a week to your regrade request in an email. I also may decrease the number of points awarded on your exam to accurately reflect your score if I discover that some parts were mistakingly given points.

My Role as Instructor: As an Instructor, I am not only responsible for helping you understand economic concepts, I am also an advocate in place to protect and enhance your learning experience. If there are issues with any parts of the class (and especially with parts that may be changed quickly and easily), please let me know.

Email Communication: I will try to respond to e-mails within 24 hour period during work days. To ensure that your emails are going to be marked correctly and processed smoothly, please send those from your @oberlin.edu address. Be aware that during the last days before any exam or midterm you may not get an answer from me due to peaking number of emails. Please plan and study ahead. Before sending an email to me, check the course syllabus thoroughly (use the latest online version to find TBD/TBA information). In a case of multiple emails from one person in a short period of time or a difficult question asked I also reserve a right to transfer the conversation to office hours.

Electronic devices: Please refrain from the use of cell phones, tablets, laptops, and any other electronic devices during class time. You should also switch your devices into silent mode. Students with documented disabilities may receive a permission to use a device that is instrumental to their learning. Photography, voice, or video recordings of the class are not permitted without the instructor's consent.

Honor Code: Academic Integrity is of utmost importance for maintaining a high-trust Academic Environment. I expect all students to be familiar and follow Oberlin's [Honor Code](#).

Religious Holidays: I adhere to Oberlin's [Religious Holiday Observance Policy](#). Please let me know about any schedule conflicts that might affect your activity in this class as soon as possible.

Students with Disabilities: If you have a disability that requires an accommodation, please let me know as soon as possible. You will need to arrange for this through the [Student Accessibility Services](#).

Disclaimer: I may adjust the syllabus if I believe it will serve the learning needs of the class. During the term I may make statements about specific assets and asset classes, economic phenomena, behaviors of markets, firms and individuals, give opinion in relation to current/past events, and, among other things, discuss how certain situations will evolve or could have evolved under different sets of circumstances. Any information, idea, opinion, or other impression you get from this class should only be used for subject learning purposes and should not be considered an advice.

Acknowledgements: I'm grateful to Viplav Saini for his assistance in preparation of this course.

Mode of instruction: The course is slated for an in-person mode of instruction for the most part. The College provides an opportunity for students to take and for faculty to conduct classes remotely in January 2022.