

Syllabus for Industrial Organization - ECON 461

Course Details:

Type	Time	Days	Where	Date Range	Schedule Type	Instructors
Class	10:00 am - 10:50 am	MWF	Morton Hall 39	Jan 20,2016 - Apr 29,2016	Lecture	Bryan S Weber

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Final Exam Time: [Monday, May 9th, Second Period 2:00-5:00pm](#)

Office Hours: Fri 11-12am Morton Hall, Room 129 or by appointment.

Introduction:

This semester we will be covering industrial organization, the study of how firms interact with each other, in both theory and practicality. The goal of this class is to lead you towards understanding the natural state of affairs for firms in industrial settings, as well as the consequences of regulation (and lack thereof). To achieve this goal we will spend the semester examining the behavior of firms in theory, with regular examples in the real world to improve saliency. To demonstrate your learning, you will perform your own research project on an industry, and participate in a competitive game, Virtual Corporate Reality.

About this course:

This course requires introductory knowledge of calculus. Introductory and Intermediate Microeconomics are expected. Expected workload for the class is about 6 hours a week. Information on academic policies on participation by students with disabilities, accommodations for religious observances, academic conduct, complaints, grade appeals, and any other standing policies are available in the Economics Department Office. If you have any special needs or questions, please contact me via email or after class. While I would hope none need to use it, the drop date is January 29, with the last day to withdraw being March 18.

Course Material:

We will be using: *Industrial Organization, Theory and Practice* by Waldman and Jensen. I will be posting the homework online, so the edition should not be a great concern, though the examples may be less recent. A reference I have for further examples is *The Structure of American Industry* by Adams and Rock. This text will not be used for homework, however. Other common textbooks include: *Introduction to Industrial Organization*, by Luis M. B. Cabral

Grading Structure:

Homework: 20%
Midterm: 20%
Final exam (cumulative): 30%
Class participation (Wiki): 5%
Paper: 15%
VCR Game: 10%

Homework:

There will be 5 large assignments graded holistically on a 1-5 scale. 5 represents nearly perfect, while 1 represents an incomplete assignment. Do not miss these assignments, there are not enough for them to go unnoticed.

Exams:

See to the Wiki and homework as good study guides. The final exam will be cumulative. You may use a non-graphing calculator on the exams. Your phone is not a calculator.

Class Participation:

I will provide credit for those engaging in a relevant discussion on the Wiki. The wiki will begin as a collection of essay questions and evolve into a group-designed study guide over the course of the semester. Any student may comment, ask questions, or answer questions. Any student may improve upon any answer, even if it is so minor as to improve formatting. Even if your attempt is eventually found to be incorrect and removed, you still will receive credit for the attempt.

VCR Game:

Do these in groups of size n ($3 \leq n \leq 5$). More detailed instructions will come later. Please recall the free rider problem. Each group member should provide me with a list of the components of the project that their partner(s) have done, along with any commentary that may be necessary.

Paper:

This will be a general review of an industry, with an eye towards structure, regulation, and the future of those industries. More detailed instructions will come later.

Calendar is Tentative and Subject to Change

<u>Date</u>	<u>Assignments Given</u>	<u>Intended Lecture</u>
1/20/2016	Assignment 1	Ch 1. Introduction, Law
1/22/2016		Ch 2. The firm and Costs
1/25/2016		Ch 3. Competition
1/27/2016		Ch 3. Monopoly
1/29/2016	Add/Drop Ends	
2/1/2016	Assignment 2, Paper Topics	Ch 4.1-4.2 Entry & Exit
2/3/2016		Ch 4.3 Merger
2/5/2016		
2/8/2016		Ch 5. Monopoly Practices
2/10/2016		Ch 7.1-7.3 Game Theory
2/12/2016		
2/15/2016	Assignment 3	Ch. 7.4-7.6 Game Theory
2/17/2016		Ch 8.1 Development of theory
2/19/2016		
2/22/2016		Ch 8.2 Development of theory
2/24/2016		Ch 8.3 Development of theory
2/26/2016		
2/29/2016	Paper Rough Draft: Introduction, Current Topics	Ch 9.1-9.3 Collusion
3/2/2016	Midterm Exam	NA
3/4/2016	Spring Break	NA
3/7/2016	Spring Break	NA
3/9/2016	Spring Break	NA
3/11/2016	Spring Break	NA
3/14/2016	Assignment 4	Ch 10 Cartels in Action
3/16/2016		Ch 11.1 Entry Deterrence
3/18/2016	Last Day To Withdraw	
3/21/2016		Ch 11.2 Entry Deterrence
3/23/2016		Ch 12.1-12.2 Other Deterrence
3/25/2015		
3/28/2016		Ch 12.3-12.4 Other Deterrence
3/30/2016		Ch 12 Appendix
4/1/2016		
4/4/2016	Assignment 5	Ch 13 Product Differentiation
4/6/2016		Ch 14 Advertising
4/8/2016		
4/11/2016		Ch 15 Technological Change
4/13/2016		Ch 16 Price Discrimination
4/15/2016		
4/18/2016	Paper Rough Draft: Competition, Recommendations	Ch 17 Vertical Integration
4/20/2016		Ch 18.1-18.3 Regulation
4/22/2016		
4/25/2016		Ch 18.4-18.5 Regulation
4/27/2016	Final Draft Final Exam	Optional Topics As Permitted