



Department of Economics Course Outline

		Term:	Winter 2006
Course:	Economics 599.05 [Competition Policy Economics]	Section:	01
Time:	TR 12:30-13:45	Place:	SS 423
Instructor:	Dr. J. Church		
Office:	SS 442	Telephone:	220-6106
Office Hours:	TR 14:00-15:00 and by appointment	E-Mail:	jrchurch@ucalgary.ca

Church, J. 2004. *The Impact of Vertical and Conglomerate Mergers on Competition*. Brussels: European Commission online at <http://europa.eu.int/comm/competition/mergers/others/#study>

Church, J. and R. Ware. 2000. *Industrial Organization: A Strategic Approach*. San Francisco: McGraw-Hill or online at <http://homepages.ucalgary.ca/~jrchurch/page4/page5/page5.html>

Tirole, J. 1988. *Theory of Industrial Organization*. Cambridge, Mass.: MIT Press

Tirole is the standard text, but is a bit dated. Church and Ware is an advanced undergraduate text that, while covering much of the same ground as Tirole, reflects more recent advances, has an antitrust focus, and features real world applications/examples. My study on vertical mergers substantially updates the material on anticompetitive strategies in Church and Ware.

Required and recommended readings will be assigned from material on reserve in the MacKimmie Library, from the periodical collection in the Mackimmie Library, and the internet.

Book(s) on Reserve:

ABA Section of Antitrust Law. 2005. *Econometrics: Legal, Practical, and Technical Issues*. Chicago: ABA Publishing

ABA Section of Antitrust Law. 2005. *Telecom Antitrust Handbook*. Chicago: ABA Publishing.

- Carleton, D., and J. Perloff. 2005. *Modern Industrial Organization*. 4th ed. Boston: Addison Wesley.
- Church, J., and R. Ware. 2000. *Industrial Organization: A Strategic Approach*. San Francisco: McGraw-Hill.
- Gibaldi, J. 2003. *MLA Handbook for Writers of Research papers*. 6th ed. New York: Modern Language Association of America.
- Holmes, W.C. 2005. *Antitrust Law Handbook*. St. Paul, Minn.: West Group.
- Hovenkamp, H. 2005. *Fundamentals of Antitrust Law*. New York: Aspen Publishers.
- Martin, Stephen. 2002. *Advanced Industrial Economics*. 2nd ed. Malden Mass.: Blackwell Publishers.
- Motta, M. 2004. *Competition Policy: Theory and Practice*. Cambridge: CUP.
- Neumann, M., and J. Weigand, ed. 2005. *The International Handbook of Competition*. Northhampton, MA: Edward Elger.
- Pepall, L., D. Richards, and G. Norman. 2005. *Industrial Organization: Contemporary Theory and Practice*. 3ed.
- Schmalensee, R. and R. Willig, ed. 1989. *Handbook of Industrial Organization*. Amsterdam: North-Holland.
- Slottje, D., ed. 2003. *Measuring Market Power*. Amsterdam: Elsevier.
- Tirole, J. 1988. *Theory of Industrial Organization*. Cambridge, Mass.: MIT Press.

Course Description:

The central organizing principle of this course is market power: its acquisition, maintenance, and exercise. The course will focus on both theory and application, with an emphasis on how industrial organization does, and should, inform competition policy and antitrust law. Antitrust law attempts to prevent behaviour which leads to the creation, enhancement, or maintenance of market power. The focus will be on appropriate enforcement policy with respect to collusion, mergers, abuse of dominant position/monopolization, and vertical contracting/restraints. Time permitting, we will address the economics of intellectual property rights and the appropriate interface between antitrust laws and intellectual property law.

Brief Course Outline:

- 1) Market Power and Market Definition
- 2) Oligopoly and Game Theory
- 3) Horizontal Mergers
- 4) Explaining Market Structure: Entry Barriers
- 5) Raising Rivals? Costs, Reducing Rivals? Revenue and Monopolization
- 6) Vertical Restraints
- 7) Predation
- 8) Collusion and Coordinated Pricing

9) Intellectual Property Rights and Antitrust Enforcement

A detailed list of topics and readings will be provided.

Midterm	20%
Grade Determination and Final Examination Details:	
Term Assignments	40%
FINAL EXAMINATION	<u>40%</u>
	100%

Students must receive a passing grade on the final exam to pass the course. As per the Writing Across the Curriculum Statement in the Calendar, writing and grading thereof will be a factor in the evaluation of student work. Details on the writing assignment(s) will be provided at a later date.

Non-programmable calculators are permitted for all exams. There will be a Department scheduled final examination which will be two hours in duration. It will be held in a classroom. The final examination will be comprehensive. The exact date for the in-class midterm will be announced at least one week in advance.

In cases of documented illness or family emergency, extra weight will be given to the final examination. Any student work which remains undistributed after the last day of classes will be available to students through the instructor's office during his office hours.

The official grading system will be used.

Tests and exams will not involve multiple choice questions.

Students seeking reappraisal of a piece of graded term work (term paper, essay, etc.) should discuss their work with the Instructor within two weeks of the work being returned to the class.

Blackboard:

This course will make use of Blackboard - students who are registered in the course can log on at <http://blackboard.ucalgary.ca/webapps/login>. Please note that Blackboard features a class email list that I will use. It is your responsibility to make sure that Blackboard uses the email of your choice. The default is your University of Calgary email address.

Notes:

Students? Union Vice President Academic

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Safewalk / Campus Security: 220-5333

JRC:pst

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