



Department of Economics Course Outline

		Term:	Fall 2004
Course:	Economics 471 [Industrial Organization]	Section:	01
Time:	TR 8:00-9:15	Place:	SA 121 (subject to change)
Instructor:	Dr. J. Church		
Office:	SS 442	Telephone:	220-6106
Office Hours:	TR 13:00-14:00 and by appointment	E-mail:	jrchurch@ucalgary.ca

Textbook:

Church, J., and R. Ware, Industrial Organization: A Strategic Approach. San Francisco: McGraw-Hill, 2000 [*This book is out of print. The relevant chapters will be available at the SU Copy Centre.*]

Book(s) on Reserve:

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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.

Course Description:

"Rents-how to spot them, grab them, hang onto them. That's what strategy should be."
The objective of this course is to provide an introduction to the theory of industrial organization. Industrial organization is concerned with the functioning of imperfectly competitive markets and the behaviour of firms in these markets. It attempts to address the following questions: 1) Why are markets organized as they are? 2) How does the organization affect the way in which firms behave? 3) How does the behaviour of firms influence the structure or organization of markets? The focus is on the strategic behaviour of firms. What kinds of firm behaviour creates monopoly rents or profits and allows firms to maintain them? What are the social implications of these kinds of behaviour? The last question naturally leads to issues of economic regulation and antitrust policy. Econ 477 is a course in regulatory economics and Econ 571 is a course in competition policy.

Course Outline

Chapter in Church & Ware

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|----|-----------------------------------|---|
| 1. | Introduction | 1 |
| 2. | Welfare Economics of Market Power | 2 |

3.	Theory of the Firm	3
4.	Market Power and Dominant Firms	4
5.	Price Discrimination	5
6.	Game Theory 1	7
7.	Oligopoly	8
8.	Game Theory 2	9
9.	Collusion and Cartels	10
10.	Product Differentiation	11
11.	Introduction to Strategic Behaviour	13
12.	Entry Deterrence	14

Grade Determination and Final Examination Details:

Midterm		20%
Problem Sets	3 @ 10% each	30%
Final Examination		<u>50%</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.

Non-programmable calculators are permitted for all exams. There will be a Registrar 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.

Students will be given at least one week to complete each assignment. Late assignments will never be accepted. In cases of documented illness or family emergency, extra weight will be given to the final examination. Students are reminded that this course has an implicit calculus prerequisite and calculus compatible notation will be used. The assignments will require extensive use of high school level algebra and, on occasion, simple calculus.

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, assignment etc.) should discuss their work with the Instructor within two weeks of the work being returned to the class.

Notes:

Students? Union Vice President Academic:

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JRC:pml

2004-08-06