



Department of Economics Course Outline

		Term:	Fall 2012-
Course:	Economics 471 [Industrial Organization]	Section:	01
Time:	TR 12:30-13:45	Place:	ST 130 (subject to change)
Instructor:	Andrew Wilkins		
Office:	SS 447	Telephone:	(403) 220-6550
Office Hours:	TR 14:00-15:00 and by appointment	E-mail:	ahwilkin@ucalgary.ca

Textbooks:

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

Church, J. 2004. *The Impact of Vertical and Conglomerate Mergers on Competition*. Brussels: European Commission. Available online at:
http://ec.europa.eu/competition/mergers/studies_reports/merger_impact.pdf

Books on Reserve:

ABA Section of Antitrust Law. 2008. *Mergers and Acquisitions: Understanding the Antitrust Issues*. 3rd ed. Chicago: ABA Publishing.

Carleton, D., and J. Perloff. 2005. *Modern Industrial Organization*. 4th ed. Boston: Addison Wesley.

Eichenwald, K. 2000. *The Informant*. New York: Broadway Books.

Facey, B.A., and D. H. Assaf. 2006. *Competition & Antitrust Law: Canada and the United States*. 3rd ed. Markham, Ontario: LexisNexis Butterworths.

Hylton, K. 2010. *Antitrust Law and Economics*. Edward Elgar. Northampton, Mass.: Edward Elgar.

Hovenkamp, H. 2006. *The Antitrust Enterprise*. Cambridge: Harvard University Press.

Pepall, L., D. Richards, and G. Norman. 2008. *Industrial Organization: Contemporary Theory and Practice*. 4th ed. Wiley-Blackwell.

Reback, G. 2009. *Free the Market!* New York: Portfolio Group.

Utton, M. 2011. *Cartels and Economic Collusion: The Persistence of Corporate Conspiracies*. Northampton, Mass.: Edward Elgar.

Course Outline:

Industrial organization is the study of imperfectly competitive markets and the behaviour of firms in these markets. *Why are firms organized the way they are? How are firm behaviour and market structure related? How can firms create monopoly rents or profits (and maintain them)? What are the social implications of firms behaving strategically?* These are the types of questions that industrial organization attempts to answer. The objective of this course is to provide an introduction to industrial organization and to establish an analytical foundation for students continuing on to Economics 477 (Regulatory Economics) and Economics 571 (Competition Policy).

The following topics will be explored in this course:

I. Foundations

1. Introduction and Competitive Markets
2. Welfare Economics of Market Power

II. Monopoly

3. Market Power and Dominant Firms
4. Non-Linear Pricing and Price Discrimination

III. Transaction Costs, Vertical Control and Profit-Maximization

5. The Economics of Coordinating Economic Activities
6. Firm Incentives and Profit Maximization

IV. Oligopoly

7. Game Theory (Part 1)
8. Oligopoly
9. Game Theory (Part 2)
10. Collusion and Cartels

V. Strategic Behaviour

11. Introduction to Strategic Behaviour
12. Entry Deterrence
13. Predation

Grade Determination and Final Examination Details:

Midterm Examination	20%
Assignments	30%
Final Examination	50%

Tests and final exams are marked on a numerical (percentage) basis, and then converted to letter grades. The course grade is then calculated using the weights indicated above. As a guide to determining standing, these letter grade equivalences will generally apply:

A+	95 – 100	B	73 - 76	C-	60 - 62
A	85 - 94	B-	70 - 72	D+	56 - 59
A-	80 - 84	C+	67 - 69	D	50 - 55
B+	77 - 79	C	63 - 66	F	0 - 49

There will be a Registrar scheduled final examination, lasting two hours. A passing grade on the final examination is required for a student to pass the course as a whole.

Non-programmable calculators will be allowed during the writing of examinations.

Examinations will not involve multiple choice questions.

Students seeking reappraisal of an assignment or examination should discuss their work with the instructor within fifteen days of the work being returned to the class. Late assignments will not be accepted. In cases of documented illness or family emergency, extra weight will be given to the final examination.

Notes:

It is the student's responsibility to request academic accommodations. If you are a student with a documents disability who may require academic accommodation and have not registered with the Disability Resource Centre, please contact their office at (403) 220-8237. Students who have not registered with the Disability Resource Centre are not eligible for formal academic accommodation. You are also required to discuss your needs with your instructor no later than fourteen (14) days after the start of this course.

Blackboard:

This course will make use of Blackboard. 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.

Students' Union Vice-President Academic:

Kenya-Jade Pinto

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E-mail suypaca@ucalgary.ca

Students' Union Faculty Representative (Arts)

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E-mail arts1@su.ucalgary.ca, arts2@su.ucalgary.ca, arts3@su.ucalgary.ca, arts4@su.ucalgary.ca

Society of Undergraduates in Economics (S.U.E.):

www.ucalgary.ca/sue

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career partnerships with the Career Centre through hosting industry nights and information sessions, recognizing achievements in teaching, and organizing social events for members. Join now by contacting sue@ucalgary.ca.

Faculty of Arts Program Advising and Student Information Resources

- Have a question, but not sure where to start? The new Faculty of Arts Program Information Centre (PIC) is your information resource for everything in Arts! Drop in at SS110, call us at 403-220-3580 or email us at artsads@ucalgary.ca. You can also visit the Faculty of Arts website at <http://arts.ucalgary.ca/undergraduate> which has detailed information on common academic concerns.
- For program planning and advice, contact the Student Success Centre (formerly the Undergraduate programs Office) at (403) 220-5881 or visit them in their new space on the 3rd Floor of the Taylor Family Digital Library.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at (403) 210-ROCK [7625] or visit them at the MacKimmie Library Block.

Safewalk / Campus Security: 220-5333
Emergency Assembly Location - Education Block Food Court
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