

ECON 4697-001 INDUSTRIAL ORGANIZATION & REGULATION

Instructor: Professor Scott James Savage

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Prerequisites

Available to students who have completed *ECON 3070 Intermediate Microeconomic Theory*. Students should be familiar with microeconomic principles, algebra, calculus, optimization techniques and probability covered in prerequisite classes (*ECON 1088 Math Tools for Economists 2* and *ECON 3818 Intro to Economic Statistics & Computer Applications*), and be comfortable expressing these concepts in short-answer questions in homework assignments and examinations.

Instruction Method

The course is designated as “Hybrid In person/Online and/or Remote” in the Department of Economics course catalog. All class materials, e.g., lecture notes, lecture videos, homework, problem sets, etc. will be available through Canvas. Students are required to read the lecture notes and watch the lectures conveniently in their own time prior to coming to class. I will conduct in person classes on Tuesday and Thursday to review and discuss parts of the lectures, solve problems and to answer your questions.

There will be no formal office hours this semester. Please ask questions during the in-person class or by email. Zoom meetings are also possible by appointment.

Textbooks

There is no required textbook. Appropriate readings will be indicated during lectures and updated on Canvas. Outlines of my notes will be provided on Canvas. *Introduction to Industrial Organization* by Luis Cabral (MIT Press) and *Industrial Organization: Contemporary Theory and Empirical Applications* by Lynne Pepall, Dan Richards and George Norman (Wiley) are useful supplementary textbooks. Your textbook from *ECON 3070 Intermediate Microeconomic Theory*, for example, *Microeconomics* by David Besanko and Ronald Braeutigam (Wiley), or *Intermediate Microeconomics: A Modern Approach* by Hal Varian (Norton), should also be helpful. These books are available through closed reserve.

Class requirements

Class meets Tuesday and Thursday from 12.45pm to 2pm. The critical thinking required for successful completion of this course may not come naturally for many students. In-class (and online) exposure to model building, group exercises, applied problems and solutions is the best way to become proficient in the application of microeconomic theory and the way economists think and solve problems. Moreover, the overall learning experience will be more effective when you are prepared (i.e., read the assigned lecture notes and watch the complementary lecture video before class).

For safety and administration reasons, please sit in the same seat throughout the semester. I will take attendance for my administrative records, but there will be no penalty for non-attendance. If you are comfortable with learning from Canvas and are performing well, you may choose not to attend *some* of the in person classes (but please keep me informed though).

Please inform me immediately if an unforeseen emergency, illness or safety concern impacts your performance. I can help, but I need to know your circumstances as soon as possible to consider suitable alternative arrangements.

Feel free to form socially-distant or online study groups to review and discuss lecture/reading material, homework assignments etc. However, you must submit individual work for grading. If you work with classmates on assignments, please list the names of these persons on the front page of your submitted assignment.

Ideally, each student should:

saved as a pdf file and uploaded to Canvas by 5pm on the due date. Submissions after 5pm on the due date will incur a 25 percent penalty. No homework will be accepted after 11.59pm on the due date.

The mid-term quiz and mid-term exam will be completed in class. The final exam will be completed remotely (more specific details will be provided later in the semester – see <https://www.colorado.edu/registrar/students/calendar/finals>). The mid-term quiz will (largely) be a multiple-choice questionnaire. The mid-term and final examinations will consist of short-answer and problem-solving questions similar to homework questions and class applications. You may need a basic non-programmable calculator to perform calculations during the quiz and examinations (I will let you know beforehand).

Make-up homework assignments, quizzes or examinations will only be given when there is a proven emergency, health or safety concern, or other unusual circumstance that are discussed with the instructor prior to submission/completion dates. If any issues hinder your performance in the class, please discuss with the instructor sooner than later. Any student that misses the quiz or mid-term exam due to a proven emergency or other circumstances may have their other assessments weighted up with instructor approval.

Fall break 2020 has been shortened to Thursday and Friday, November 26-27. After fall break, all classes will be remote (synchronous) or online (asynchronous) through the end of the semester.

Important dates for assessment

Sep 10	Homework 1
Sep 17	Homework 2

orientation, gender, gender variance, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. For more information, see the policies on [classroom behavior](#) and the

Lecture notes and videos, assignment questions and solutions, and additional materials will be available through Canvas.

Table 1. Proposed course outline

Week	Date	Topic
1.	Aug 25 Aug 27	I. Introduction - Introduction to industrial organization II. Monopoly power - Monopoly pricing
2.	Sep 1, 3	- Monopoly pricing
3.	Sep 8, 10	- Monopoly pricing - Product positioning
4.	Sep 15, 17	- Product positioning
5.	Sep 22, 24	- Price discrimination I (two-part tariffs)
6.	Sep 29, Oct 1	- Price discrimination I (two-part tariffs) - Price discrimination II (versioning, bundling, etc.)
7.	Oct 6, 8	- Price discrimination II (versioning, bundling, etc.)
8.	Oct 13 Oct 15	- <i>Mid-term examination</i> III. Oligopoly competition - Quantity competition
9.	Oct 20, 22	- Quantity competition
10.	Oct 27, 29	- Price competition I (homogenous products)
11.	Nov 3, 5	- Price competition II (differentiated products) - Collusion I (single-market contact)
12.	Nov 10 Nov 12	- <i>Mid-term quiz</i> - Collusion II (multi-market contact)
13.	Nov 17, 19	- Mergers
14.	Nov 24, 26	- <i>No classes: Fall break & Thanksgiving</i>
15.	Dec 1, 3	- Mergers - Review and conclude
16.	Dec 8 Dec 9 – 13	- Reading day - <i>Final examination period</i> (date to be determined)