

Organization of Industry
Economics 3461

Lanse Minkler

Fall 2014

Office Hours: Oak Hall 328; T,TH 8:30-9:30 and by appointment.

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Grading: Two midterms: 20 points each (40 points total). Comprehensive final examination: 30 points. Homework: three, at 10 points each. Mid term dates: October 9 and November 13. There are no make-up midterm exams; those who miss one midterm (with valid excuse) may weight the final as 50% of the course grade.

Note: This is a fairly difficult class, heavy on theory and algebra! No calculators will be permitted during exams, so please plan accordingly.

Grade Scale:

90 +	A
85 - 89	A-
80 - 84	B+
75 - 79	B
70 - 74	B-
65 - 69	C+
60 - 64	C
55 - 59	C-
50 - 54	D+
45 - 49	D
40 - 44	D-

Text: Don Waldman and Elizabeth Jensen: *Industrial Organization*, Addison-Wesley, 2013. *The 2007 edition is acceptable as well.*

Articles for the *Theory of the Firm* topic will be posted on HuskyCT.

Conduct and

Cell Phones: The classroom is our academic community. In order to maintain mutual respect for each and every one of us, all cell phone use is prohibited. That means no text messaging. If you need to use your cell phone please leave the classroom quietly. Naturally, all University policies on Student Conduct, Integrity, and final examinations are in effect.

Topics and Reading List

Introduction and Microeconomics Review

Chapter 1: Introduction

Chapter 3: Competition and Monopoly

Theory of the Firm

Chapter 2: The Firm and Its Cost

Readings posted on HuskyCT

Market Structure: Barriers to Entry, Concentration, and Correlates

Chapter 4: Market Structure

Chapter 5: Monopoly Practices

Chapter 6: Empirical Industrial Organization

Introduction to Game Theory

Chapter 7: Game Theory: A Framework for Understanding Oligopolistic Behavior

Early Models: Cournot-Nash; Stackelberg; Bertrand; and the Prisoner's Dilemma

Chapter 8: The Development of Theory

Chapter 9: Collusion: The Great Prisoner's Dilemma

Chapter 10: Cartels in Action

Entry Deterrence

Chapter 11: Oligopoly Behavior: Entry and Pricing to Deter Entry

Chapter 12: Oligopoly Behavior: Entry and Non-pricing Strategies to Deter Entry

Topics

Chapter 13: Product Differentiation

Chapter 14: Advertising

Chapter 15: Technological Change and Research and Development

Chapter 17: Vertical Integration and Vertical Relationships

Chapter 18: Regulation and Deregulation