

University of Connecticut
Econ 3461
Fall 2023

Course Syllabus: Organization of Industry

Time: Mondays, Wednesdays, and Fridays 1:25pm – 2:15pm

Location: OAK 109

Website: Listed on HuskyCT (blackboard). HuskyCT will be used for announcements, posting of lecture slides and problem sets and solutions, additional course documents, and more.

Instructor: Harim Kim

Office: OAK 328

Email: harim.kim@uconn.edu

Office Hours: Wednesday 2:30 – 3:30 pm

Midterm: 10/25 (Wed) in class – 45 minutes exam

Final exam: 12/12 (Tue) from 3:30 – 5:30 PM in OAK 109 – 2 hours exam

Description

This course aims to introduce theoretical models and empirical methods in the field of industrial organization, with a specific emphasis on competition policy and antitrust cases. Topics covered include monopoly, oligopoly competition, measurement of market power, collusion, horizontal mergers, predation, and vertical restraints. The course examines theoretical insights from the basic models, along with competition policies associated with each of these topics, which are then complemented with actual antitrust cases. Students will be introduced to necessary empirical tools for quantitatively analyzing competition and antitrust concerns. This course will enable students to grasp the practical application of industrial organization to real-world examples and develop the skill to critically evaluate them using economic tools.

Course requirements

ECON 2201 (intermediate microeconomics), ECON 2211Q

Readings

While lecture slides will suffice for students to comprehend the concepts presented in this course, here is a list of books that students might find helpful. Purchasing these books is not mandatory.

Carlton, D. and J. Perloff: Modern Industrial Organization (4th edition), Pearson (**MIO**)

Davis, P. and E. Garces: Quantitative Techniques for Competition and Antitrust Analysis, Princeton (**QTCA**)

Motta, Massimo: Competition Policy: Theory and Practice, Cambridge 2004 (**CP**)

Problem Sets

Problem sets carry significant importance for your midterm and final exams. While I won't be assigning grades to problem sets, students are strongly encouraged to work on problem sets to excel in the exams. Please note that solutions to problem sets will not be made available online; instead, I will review and discuss the problems during class.

Grading (tentative)

- Midterm exam: There will be a late midterm exam on Oct. 25 (Wed) which will take place in class. There is no makeup for midterm exam.
- Final exam: December 12 (Tue) from 3:30- 5:30 PM (OAK 109)

Details will be provided closer to exam time.

Grading scheme (tentative)

Final exam: 60%

Midterm: 40%

Letter grades (F-A) will be assigned based on the weighted score which can range from 0 to 100. I finalize letter grade assignments only in the end of the semester, taking both absolute performance and the distribution of grades into account. I will tentatively (but this is subject to change) assign a grade of A- or higher for weighted final scores in the 90-100 range, a grade of B- or higher for weighted final scores in the 80-89 range, a grade of C or higher for grades in the 70-79 range, a grade of C- for 65-69, a grade of D or higher for scores in the 60-64 range, and a grade F for scores below 60.

Academic Integrity

Students in this course are expected follow the code of Academic Integrity. Academic misconduct is dishonest or unethical academic behavior that includes, but is not limited, to misrepresenting mastery in an academic area (e.g., cheating), intentionally or knowingly failing to properly credit information, research or ideas to their rightful originators or representing such information, research or ideas as your own (e.g., plagiarism). The University policy can be found in the [Academic, Scholarly, and Professional Integrity and Misconduct Policy](#).

Disabilities and Accommodations

In compliance with the University of Connecticut policy and equal access laws, I am available to discuss appropriate academic accommodations that may be required for students with disabilities. Requests for academic accommodations are to be made during the first three weeks of the semester, except for unusual circumstances, so arrangements can be made. Students in need of accommodations should go to the center for students with disabilities (see <http://www.csd.uconn.edu/>) to verify their eligibility for appropriate accommodations. If you are eligible for accommodations such as extra time during exams, please provide documentation and coordinate with me no later than a week prior to every exam, please verify that any needed arrangements were made.

Course Outline (tentative)

- Topic 1: Introduction and Overview
- Topic 2: Effective Competition, Welfare, and Market Power

Problem sets 1 and 2

Readings:

MIO: Ch. 19 (Antitrust law), Ch. 3 (Perfect competition), Ch.4 (Monopoly), Ch.6 (Oligopoly), Ch. 16 (Patent, dynamic efficiency)

CP: Ch 2. Market power and welfare

- Topic 3: Market Definition

Problem set 3

Readings:

QTCA: Ch. 4

- Topic 4: Assessment of Market Power

Problem set 4

Readings:

MIO: Ch.8

- Topic 5: Estimation of Demand Functions

Readings:

QTCA: Ch. 9

MIO: Ch. 7 (differentiated products demand)

- Topic 6: Estimation of Market Power and Conduct

Problem set 5

Readings:

QTCA: Ch.6

MIO: Ch.8

- Topic 7: Collusion and horizontal agreements

Problem set 5

- Topic 8: Calculation of Cartel Damages

Problem set 6

- Topic 9: Horizontal Mergers
- Topic 10: Vertical Restraints and Vertical Mergers

- Topic 11: Predation, Monopolization and other Abusive Practices

Problem set 7

updated: Oct 8, 2023