

## Syllabus

Economics 406.01 – Industrial Organization

TuTh 12:40 – 2 PM

Native American Center 105

Instructor: Dr. Amanda Dawsey  
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### Course Description and Learning Objectives:

This class provides an introduction to the field of industrial organization. We will study firm behavior in competitive, oligopolistic, and monopolistic market structures, and we will develop an analytic framework to understand specific policy questions.

Upon completion of this course, you should

- have a basic understanding of price theory as it applies to firms' decision-making.
- be able to use game theory to understand strategic interactions among firms.
- understand the impact of market structure on a firm's profit-maximization problem.
- be able to use economic analysis to discuss government's potential role in improving the competitiveness and efficiency of markets.
- be familiar with topics that researchers in the field of industrial organization are studying.

### Required Materials:

You must have access to the textbook and moodle to fully participate in this class:

- *-Industrial Organization: Theory and Practice, 3<sup>rd</sup> Edition*, by Don E. Waldman and Elizabeth J. Jensen
- <http://courseware.umt.edu/>

A copy of the textbook is available for 2 hour reserve at the library.

### Grading:

Problem Sets	25%
First Exam (February 23)	25%
Second Exam (Mar 27)	25%
Final (Tuesday, May 8, 1:10 – 3:10)	25%

**Class Policies:**

I expect you to be an active participant in the classroom: Ask lots of questions (except anything addressed on this syllabus), participate in discussions, and make suggestions of topics you'd like to talk about. Please arrive on time, and let me know if you need to leave early. Most importantly, **please turn off your cell phone** before entering the classroom.

Remember that your learning experience and the quality of each class will depend on your level of preparation. This means doing the assigned readings and reviewing your notes before each class. If you miss a class, it is your responsibility to get notes, announcements, assignments, etc from your classmates.

**Exams:**

Make sure you have no conflicts with the exam dates (check now!). Examinations must be taken at the assigned time or a zero will be recorded. Exceptions to this policy will only be granted for serious circumstances that are **BEYOND YOUR CONTROL**. Arrangements for an exception must be made as soon as possible and in advance if at all possible. You should be prepared to provide evidence that the situation is indeed beyond your control.

Any students with documented learning disabilities who require special exam procedures should get in touch with me as soon as possible.

**Problem sets:**

Problem sets will be handed out one week before they are due, and will not be accepted after the assigned date without a documented excuse. These exercises are intended to give you practice using the skills discussed in the textbook and in class, and to familiarize you with the types of questions that will be on exams.

**Academic Integrity:**

I expect you to know and abide by the Honor Code in all matters pertaining to this course. Violations of this code will be pursued in accordance with the code.

**Course Schedule:**

<b>Date</b>	<b>Assignment</b>	<b>Topic</b>	<b>Readings</b>
<b>Week 1</b>			
Jan 24		Introduction	W & J Chapter 1
Jan 26	HW 1 handed out	Profit Maximization and Costs	W & J Chapter 2
<b>Week 2</b>			
Jan 31		Continued	
Feb 2	HW 1 due, HW 2 handed out	Perfect Competition and Welfare	W & J, Chapter 3, pages 51-62
<b>Week 3</b>			
Feb 7		Introduction to Monopoly	W & J, Chapter 3, pages 62-87
Feb 9	HW 2 due, HW 3 handed out	Continued	
<b>Week 4</b>			
Feb 14		Monopoly Practices and Network Effects	W & J, Chapter 5
Feb 16	HW 3 due	Continued	
<b>Week 5</b>			
Feb 21		Continued	
Feb 23	<b>Exam 1</b>		
<b>Week 6</b>			
Feb 28		Market Structure	W & J, Chapter 4, pages 88-113
Mar 1	HW 4 handed out	Continued	
<b>Week 7</b>			
Mar 6		Mergers	W & J, Chapter 4, pages 113-142
Mar 8	HW 4 due, HW 5 handed out	Empirical Evidence	W & J, Chapter 6
<b>Week 8</b>			
Mar 13		Game Theory	W & J, Chapter 7
Mar 15	HW 5 due, HW 6 handed out	Continued	
<b>Week 9</b>			W & J, Chapter 8
Mar 20		Oligopoly	
Mar 22	HW 6 due	Continued	
<b>Week 10</b>			
Mar 27	<b>Exam 2</b>	Continued	

Mar 29			
<b>Week 11</b>	<b>Spring Break</b>		
<b>Week 12</b>			
April 10		Collusion	W & J, Chapter 9
April 12	HW 7 handed out	Continued	
<b>Week 13</b>			
April 17		Cartels in the Real World	W & J, Chapter 10
April 19	HW 7 due, HW 8 handed out	Continued	
<b>Week 14</b>			
April 24		Entry Deterrence	W & J, Chapter 11
April 26	HW 8 due, HW 9 handed out	Product Differentiation and Advertising	W & J, Chapter 13
<b>Week 15</b>			
May 1		Continued	
May 3	HW 9 due	Continued and Review	