

Sample Syllabus – EC 460/560 – Theories of Industrial Organization
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Course Description:

Industrial organization is the study of the behaviors of firms and consumers in individual markets. This course covers the theory of industrial organization and includes quantitative measures and institutional descriptions of American and global industry. The course emphasizes the determinants and consequences of market power.

The course begins with a review of consumer and producer theory with a focus on non-strategic (i.e. monopolist) pricing policies. Students then learn to use game theory to explore static and dynamic models of oligopoly. The course then zooms out to consider the determinants of industry structure, including technology, demand, mergers and acquisitions, and firm strategies designed to deter entry. Students then learn ways to conceptualize other common features of imperfectly competitive markets, including vertical relationships, product differentiation, and network effects. The course ends with an overview of current research methods, results, and open questions in the field.

Prerequisites: EC 320, EC 311. We will be using *quite* a lot of calculus in this class. If you are not comfortable with derivatives and maximization problems, you may wish to spend some extra time reviewing your 311 material.

Course Text: Cabral, Luis M. B., Introduction to Industrial Organization, 2nd edition (Cambridge, MA: The MIT Press, 2017)

About this Syllabus:

This syllabus is the governing document for the course. Due to the size of the course and the need for fairness, the policies contained within will be strictly enforced. However, due to the variety of personal circumstances that can occur throughout a term, there is a considerable amount of flexibility in some of the policies. Careful reading of this document will likely improve your ability to perform well in the course. *Italicized information is particularly important.*

Course Organization:

This course is lecture and reading driven. Additional readings of academic articles or other material may be posted on Canvas. Lectures will explore major concepts, discuss real world examples, and work through problems. The textbook and other readings will dive into these topics in more detail. Lectures and readings are complements, not substitutes.

There are five homework assignments during the term to be submitted via Canvas. Students enrolled in EC 560 will complete an extra assignment replicating a recent research project.

There is one midterm, held in Week 5, and a final exam at the end of the term. Both exams will be open format.

Success in this course relies on your ability to *synthesize* information, examples, and problems across lecture, homework, and the readings. *Material from all sources will be used to construct the exams.*

Office Hours:

I have scheduled office hours on Mondays and Wednesdays, from 2 PM – 3 PM, in 535 PLC. This time is intended for students to ask me questions about the material; I will not provide solutions to specific homework problems (though I will cover the concepts).

If that time does not work for you, I am happy to schedule appointments through e-mail.

E-mail Policy:

Students are encouraged to contact me with questions about the course material but should not expect an immediate response. I generally respond to e-mail twice per day, at around 9 AM and around 5 PM. I aim to respond to all e-mails within two business days. Additionally, I will not provide solutions to specific homework questions before that homework is due (though I will provide help understanding the concepts behind the questions).

Lecture slides:

I present lectures using PowerPoint slides. These slides will be available in full via Canvas. Please observe the copyright notice elsewhere in this syllabus: don't distribute the slides.

Homework:

Homework will be assigned and submitted via Canvas. Each homework will be due at 11:45 PM on the announced day. *No late homework will be accepted.* The only exception to this rule is an event affecting Canvas access that impacts a significant portion of the class.

While five problem sets will be assigned, *the lowest score will be dropped before determining your final grade.*

This drop is a *scarce resource* and it is your responsibility to allocate it responsibly. I do not grant additional drops, nor are there any opportunities to make-up homework points for any reason. They are designed to be used in cases of illness, technical issues, or other urgent matters that may arise during the term.

Students are encouraged to work together on problem sets. However, each student must draft their own version of the answers. *All collaborators must be identified.*

Canvas Participation:

Every two weeks, I will post a discussion topic in Canvas for discussing the material and relevant current events. There will therefore be five participation points throughout the term. Participation in these discussions will be graded on a bi-weekly basis by the GE under my supervision. To earn full credit, you must contribute a *coherent, non-trivial, original thought*. A non-exhaustive list of comments which do *not* meet these criteria include questions which can be answered by reading this syllabus, and single-word responses to other comments. One point will be dropped before determining your final grade.

Exams:

This course will have two written "take-home" exams – a midterm due in Week 5 and a final due at the end of the University-assigned final exam time. Both exams will be uploaded to Canvas several days before the due date. The exams are "open notes" – but you must work alone. *Exam scores may be curved* at my sole discretion. Exam curves will never result in a student obtaining a lower "curved" score than the "raw" score calculated by summing the points earned on each question.

Make-Up Exams:

If the midterm exam is missed, the student may submit a written petition explaining the circumstances surrounding the absence. If the petition is approved, the weight of the midterm will be placed on the final. If the petition is denied, the midterm will be given a grade of zero. I alone will resolve petitions. If no explanation is offered, the student will receive a grade of 0 on the midterm.

There will be a make-up final exam offered to students with a documented medical excuse.

Important: *No early exams or alternative exam times will be offered, except in cases of University-sponsored activities.*

Students who miss the final exam for any other reason will receive a zero.

Grading:

Grades will be determined as follows: 5% participation, 40% homework, 20% midterm and 35% final. Your scores in each category will be combined according to those percentages to create a final course score out of 100 points, which will then be assigned a letter grade according to the table at the end of this syllabus. Students who demonstrate significant improvement between the midterm and the final may have their grades adjusted to reflect that improvement.

The overall course grade will not be curved. What this means is that *grading in this course is non-competitive.* Students are encouraged to work with each other to gain a better understanding of the material.

If you are concerned about your grade in my course, please contact me as soon as possible.

Academic Misconduct and the Student Conduct Code:

The Student Conduct Code defines Academic Misconduct in part as “unauthorized collaboration, accessing, or using of unauthorized materials, information, tools, or study aids” and “any intentional action that helps, or is intended to help, another engage in academic misconduct.”

I encourage students to collaborate with each other on homework assignments, but collaborators must be identified on the assignment. The use of external resources to complete homework assignments (such as solutions found on the internet) is prohibited.

Collaboration of any kind on exams is prohibited. This includes, but is not limited to, asking questions about the exam of people who have already completed the exam, and giving information about the exam to people who have not already completed the exam. *Do not talk about exams during the exam period.*

If I have reason to believe a student has engaged in Academic Misconduct, General Misconduct, Discriminatory Misconduct, or any portion of the Student Conduct Code (including, but not limited to, the situations described above), I will follow the appropriate University Policy and contact the Office of Student Conduct and Community Standards.

Per Section VII of the Student Conduct Code, the conduct process may result in academic sanction. The default academic sanction for misconduct in this course is to receive a score of zero on the relevant assignment or exam. I reserve the right to assess alternative sanctions.

In short: *I have absolutely no tolerance for cheating or other dishonest behavior. Don't cheat.*

Recommendations:

After completing this course, students often ask me for letters of recommendation for various programs of study, scholarships, employment, or for other opportunities. In general, I am unable to provide strong letters of recommendation based on performances in this course alone. I recommend

that if you think you might benefit from a recommendation from me in the future, you should ask questions in class, regularly attend office hours, and generally think about how you can provide me with a basis from which to communicate with others about your skills.

Accessibility:

The University of Oregon is working to create inclusive learning environments. Please notify me if there are aspects of this course that result in disability related barriers to your participation. For more information or assistance, you are also encouraged to contact the Accessible Education Center, 164 Oregon Hall, 346-1155; website: <http://aec.uoregon.edu/>

Mental Health and Wellness:

University Health Services help students cope with difficult emotions and life stressors. If you need general resources on coping with stress or want to talk with another student who has been in the same place as you, visit the Duck Nest (located in the EMU on the ground floor) and get help from one of the specially trained Peer Wellness Advocates. Find out more at <https://health.uoregon.edu/ducknest>.

University Counseling Services (UCS) has a team of dedicated staff members to support you with your concerns, many of whom can provide identity-based support. All clinical services are free and confidential. Find out more at counseling.uoregon.edu or by calling 541-346-3227 (anytime UCS is closed, the After-Hours Support and Crisis Line is available by calling this same number)."

Copyright Notice:

The materials used in this class, including, but not limited to, lecture slides, exams, and homework assignments are protected by copyright. You are granted permission to access materials and make copies and derivative works for your personal use. You may not distribute course materials to any other person, regardless of student status, without express written permission from me.

The sharing of class materials without the specific, express approval of the instructor may be a violation of the University's Student Conduct Code (Section V.2.f.F), which could result in further disciplinary action. *This includes, among other things, uploading class materials to websites for the purpose of sharing those materials with other current or future students.* Additionally, any unauthorized copying of class materials is a violation of federal law and may result in further action.

Tentative Schedule:

This schedule may change as the course progresses. The date in the “Week” column is the date of the Monday class. Look to Canvas for updated assignments and readings.

Week	Monday	Wednesday	Cabral Reading
1 9/26	ROSH HASHANAH (no class)	Introduction / Consumer Review	1, 2, 3
2 10/3	Firms	Competition, Equilibrium, Efficiency	4, 5
3 10/10	Market Failure and Public Policy	Price Discrimination	6, 7
4 10/17	Games and Strategies	Oligopoly	8, 12, 9
5 10/24	Collusion and Price Wars	MIDTERM	10, 11
6 10/31	Market Structure 1	Market Structure 2	13
7 11/7	Horizontal Mergers	Market Foreclosure	14, 15
8 11/14	Vertical Relations	Product Differentiation	16, 17
9 11/21	Innovation	Networks	18, 19
10 11/28	Advanced Topic (if time)	Review	21, 22

Final Exam is due on Friday, December 9, at 12:15 PM

Letter Grades:

Course Points	Letter Grade	Pass / No Pass
98+	A+	P
93-97	A	P
90-92	A-	P
87-89	B+	P
83-86	B	P
80-82	B-	P
77-79	C+	P
73-76	C	P
70-72	C-	P
67-69	D+	NP
60-66	D	NP
59-	F	NP