

Economics 460
Industrial Organization
Fall 2005
MW 8-9:15

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Office Hours
MW: 9:30-11:00

Text: Carlton and Perloff,
Modern Industrial Organization

Industrial organization is about firm behavior under different market settings: perfect competition, monopolistic competition, oligopoly, monopoly as well as oligopsony and monopsony. These settings describe real world conditions and they affect prices and production.

Course objective: To learn about market structure and how it influences economic behavior.
To be able to interpret real world economic conditions and explain them.

Course structure: We will follow the text closely and there will be up to 10 spot quizzes and only 1 can be dropped. Class attendance is required. There also will be a midterm and final. The final exam will be cumulative.

Exams: Up to 10 spot quizzes (30% of final grade).
2 Midterms (35%)
Final (35%)

Course outline:

Week of August 22: Chapters 1 and 2 (basic concepts and the firm and costs)
August 29: Chapters 2 and 3 (costs and perfect competition)
September 7: (no class, Sept 5th) Chapter 3 (perfect competition)
September 12: Chapters 4 and 5 (monopoly and cartels)
September 19: Chapters 4 and 5 and review (monopoly and cartels)

MIDTERM1 September 21st (Chapters 1-5)

September 26: Chapters 6 and 7 (oligopoly and monopolistic competition)
October 3: Chapters 6, 7, 8 (oligopoly, monopolistic competition, and industry structure)
October 10: Chapters 8 and 9 (structure and price discrimination)

October 17: Chapters 9 and 11 (price discrimination and strategy)
October 24: Chapters 11 and 12 (strategy and vertical integration)
October 31: Chapters 12 and 13 (vertical integration and information)
November 7: Chapter 13 and review

MIDTERM2 November 14 (subject to change) (Chapters 6-9, 11-13)

November 16: Chapter 14 (vertical integration)
November 21: Chapters 14 and 16 (vertical integration and patents)
November 28: Chapter 16 (patents)
December 5: Review

FINAL: FRIDAY DECEMBER 16, 8-10am. Chapters 1-9, 11-14, 16.