Graduate Industrial Organization
ECON 5460
Spring 2018

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Office Hours: Monday 9:30 – 12:00, and by appointment
Class Time: Tuesday and Thursday, 11:00 – 12:20, Wooten Hall 114

Course Objectives
The objectives of this course are to introduce students to the central questions around imperfect competition, market structure, innovation, and regulation, and to theoretical and structural econometric methods commonly used by current researchers studying these questions.

Course Material
Stand-alone lecture notes, supplemented by papers and handouts.
Suggested textbooks:
- *The Theory of Industrial Organization*, by Jean Tirole. MIT Press, 1988. It is a tremendously valuable resource. Purchase if you are financially able to do so and if you plan to continue research in the field of Industrial Organization.


Blackboard Learn
We use the University of North Texas’ Learning Management System, Blackboard Learn to post announcements and assignments. To get started with the course, please go to: https://learn.unt.edu. You will need your EUID and password to log in to the course. If you do not know your EUID or have forgotten your password, please go to: http://ams.unt.edu.

Blackboard is the primary means of communication among us during the semester. If your UNT e-mail address is not your primary e-mail account, you should forward your UNT e-mail to your primary account.

The University provides students with technical support in the use of Blackboard. The student help desk may be reached at helpdesk@unt.edu, 940.565-2324, or in Sage Hall, Room 130. Please refer to the website (http://www.unt.edu/helpdesk/hours.htm) for current hours.

Course Requirements
Students are expected to complete the assigned reading prior to class. It is important that you prepare for and attend class. If you miss class, it is your responsibility to obtain from your classmates the relevant class notes and assignments. Please note the following guidelines.
1. No assignments will be accepted late.
2. Do not come to class late. Disrupting the class by arriving late is disrespectful to other students and negatively impacts others’ learning. Habitual tardiness will result in being referred to the Dean of Students for disciplinary action or removal from the class.
3. Turn off cell phones prior to class beginning. If I see you using your phone in any way, I will ask you to leave the classroom.
4. Computer use is not permitted during class.
5. Cheating will not be tolerated and will result in an immediate zero on the relevant assignment. You are encouraged to become familiar with the University's Policy of Academic dishonesty found in the *Student Handbook*. The content of the Handbook applies to this course. Consult the Code of Student Conduct and Discipline for information on any further penalties that may be imposed by the Committee on Student Conduct. The Code of Student Conduct can be found at www.unt.edu/csrr. Student behavior that interferes with an instructor’s ability to conduct a class or other students' opportunity to learn is unacceptable and disruptive and will not be tolerated in any instructional forum at UNT. Students engaging in unacceptable behavior will be directed to leave the classroom and the instructor may refer the student to the Center for Student Rights and Responsibilities to consider whether the student's conduct violated the Code of Student Conduct.
6. If you have special needs, please advise me immediately so that we can make any necessary arrangements.

**Grading**

There will be four assignments, each worth 15% of your grade. While students are encouraged to work together and to discuss the material, each student is responsible for writing and submitting his own assignment. Each assignment will require that students understand and synthesize information rather than simply memorize material. Homework assignments will be posted on Blackboard and distributed one week prior to the due date. The remaining 40% of the grade will be the final exam.

**Schedule** – The topic schedule may change slightly depending on class understanding.

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Readings

Introduction and Background

Tirole, Introduction.

Pepall, Background in Part One – Foundations – (Chapters 1 – 3).

Pepall, Strategic Interaction and Basic Oligopoly Models – Part Three (Chapters 9 – 11).


Garicano and Hubbard (2003) “Specialization, Firms, and Markets: The division of labor within and between law firms, Mimeo Chicago GSB.


Lau, L. (1982) "On Identifying the Degree of Competitiveness from Industry Price and Output Data," *Economics Letters* 10: 93-99. We will not read as students do not have UNT Library access.


Static Demand Estimation / Static Models of Competition – Homogenous Goods.

Tirole, Chapter 5.


**Static Demand Estimation – Application**


**Product Differentiation**

Tirole, Chapter 7.


**Vertical Contracts**

Tirole, Chapter 4.

Pepall, Contractual Relations Between Firms – Part Five (Chapters 16 - 18).


**Vertical Contracts – Application**


**Entry and Exit**

Tirole, Chapter 8.

Pepall, Anticompetitive Behavior and Antitrust Policy – Part Four (Chapter 12).


Antitrust Policy

Pepall, Anticompetitive Behavior and Antitrust Policy – Part Four (Chapter 14).


DOJ and FTC antitrust guidelines.


Regulation


Two-Sided Markets


Networks

Pepall, Networks, Auctions, and Strategic Policy Commitment – Part Seven (Chapter 22).


**UNT** endeavors to offer you a high quality education and to provide a supportive environment to help you grow and learn. As a faculty member I am committed to helping you to be successful as a student. **To succeed at UNT:** Show up. Find support. Take control. Be prepared. Get involved. Be persistent.