

**Industrial Organization**  
**ECONOMICS 332, 3 CREDITS**  
**Thursday 7:05 – 9:45 PM**  
**Bernard J. Brommel Hall – Room 364**

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“It is not enough to prove that a given industry is not competitive. The crucial question is: how far do the conditions in the industry depart from competition? In many and perhaps most cases the answer is that the departures are not large.”

– George Stigler  
*The Theory of Price*, 1946

INTRODUCTION

Industrial Organization studies market structures, how concentrated industries are, to what extent firms can exercise monopoly power, mergers and takeovers. We will also study the impact of industry structures on consumers: price discrimination, product differentiation, advertising, research and development. Understanding industrial organization brings economic reasoning to cases for which the analyses of extremes of perfect competition or monopoly are not sufficient.

Students are expected to attend all classes. Attendance and class participation will make up a portion of the final grade. Lectures will be crucial for understanding the material. Students are also expected to have completed the readings before each class.

REQUIRED TEXTS

Modern Industrial Organization

Carlton and Perloff  
ISBN: 0312180232

The Winner's Curse

Richard Thaler  
ISBN: 0691019347

YOUR FINAL GRADE WILL BE DETERMINED BY THE FOLLOWING

	EACH		TOTAL
ATTENDANCE/PARTICIPATION	14%	=	14%
ONLINE QUIZZES	2%	x 13 =	26%
MIDTERM EXAM	30%	x 1 =	30%
FINAL EXAM	30%	x 1 =	30%

**BLACKBOARD:** Blackboard is an instrumental part of this course. You can access Northeastern's Blackboard system at: <http://neu.blackboard.com/>

**PLAGIARISM:** Plagiarism is “the unauthorized use or close imitation of the language and thoughts of another author and the representation of them as one's own original work”<sup>1</sup>. If you are suspected of plagiarizing, you will be brought up on charges by the university. If you are found guilty you may be dismissed from the university.

1. **The Random House Dictionary.** (2010). In *Encyclopædia Britannica*. Retrieved August 19, 2010, from Encyclopædia Britannica Online: <http://www.britannica.com/EBchecked/topic/491056/The-Random-House-Dictionary>

**STUDENTS WITH DISABILITIES:** Students with Faculty Contact Sheets for this class need to present them to the instructor as soon as possible. Other students requiring reasonable accommodations, as covered under the Americans with Disabilities Act, should contact the Accessibility Center to discuss needed accommodations. Questions and requests for reasonable accommodations should be directed to Building D, Room 104, phone (773) 442-5495.

## Course Outline

Week	Date	Due	Title	Reading
1	January 12, 2012	-----	Introduction	-----
		-----	Overview	CH. 1
		-----	The Firm and Costs	CH. 2
2	January 19, 2012	-----	Review of Microeconomics	-----
		-----		CH. 3
		-----		
3	January 26, 2012	Ch. 2 Quiz	Monopolies, Monopsonies, and Dominant Firms	CH. 4
4	February 2, 2012	Ch. 3 Quiz	Cartels	CH. 5
5	February 9, 2012	Ch. 4 Quiz	Oligopoly	CH. 6
6	February 16, 2012	Ch. 5 Quiz	Product Differentiation and Monopolistic Competition	CH. 7
7	February 23, 2012	Ch. 6 Quiz	Industry Structure and Performance	CH. 8
8	March 1, 2012	Ch. 7 Quiz	***** MIDTERM *****	
9	March 8, 2012	Ch. 8 Quiz	Price Discrimination	CH. 9
10	March 15, 2012	Ch. 9 Quiz	Strategic Behavior	CH. 11
Spring Break	March 22, 2012		***** NO CLASS - SPRING BREAK *****	
11	March 29, 2012	Ch. 11 Quiz	Vertical Integration and Vertical Restrictions	CH. 12
12	April 5, 2012	Ch. 12 Quiz	Information	CH. 13
13	April 12, 2012	Ch. 13 Quiz	Advertising and Disclosure	CH. 14
14	April 19, 2012	Ch. 14 Quiz	Patents and Technological Change	CH. 16
15	April 26, 2012	Ch. 16 Quiz	***** FINAL REVIEW *****	
FINAL	May 3, 2012	-----	***** FINAL EXAM @ 8:00 PM *****	

**ALL QUIZZES ARE DUE BY 11:59 PM OF THE DATE SPECIFIED**

**ALL QUIZZES ARE 10 QUESTIONS, CONSIST OF ONE CHAPTERS WORTH OF MATERIAL AND HAVE A 30 MINUTE TIME LIMIT. THEY MAY BE TAKEN UP TO THREE TIMES EACH.**

**EXAMS:**

**MIDTERM – MARCH 1<sup>ST</sup>**

**FINAL EXAM – MAY 3<sup>RD</sup>**

**NOTE THAT WHILE THE FINAL EXAM IS ON A THURSDAY, IT STARTS AT 8:00 PM INSTEAD OF THE NORMAL CLASS TIME**

**MARCH 30<sup>TH</sup> IS THE LAST DAY FOR UNDERGRADUATE STUDENTS TO DROP A CLASS OR COMPLETELY WITHDRAW FROM FALL SEMESTER (NO FINANCIAL CREDIT)**