

# **ECON 4999: Economics in Action: Industrial Organization**

## **Spring 2008**

Professor Yongmin Chen

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Website: <http://spot.colorado.edu/~cheny/>

Class Time: 12:00-12:50 PM, MWF.

Classroom: ECON 119

Office Hours: 10:30-11:30 and 2:00-4:00 on Monday

This course will address current issues in industrial organization. The course has two parts.

Part 1 provides an overview of the basic theory and analytical tools of industrial organization, based on the book by Lynne Pepall et al: Industrial Organization: Contemporary Theory & Practice, third edition. There will be two mid-term exams.

Part 2 is a research project that studies competition and market performance in a particular industry. Students will form research groups, each consisting of 2 to 3 people. Each group will choose an industry to study. Students will gather information about the industry (such as products, determinants for demand and costs, historical developments, market share distributions, etc.), analyze its market structure and firms' competitive strategies, and suggests ways in which firms may gain competitive advantages and/or the industry performance may be improved. The project will result in a research paper for each group, which each group will present in class.

The final grade for the course will be based on homework and class participation (20%), two mid-term exams (50%), the paper and its presentation (30%). Students are expected to participate actively in classes. If you must miss a class, please inform me in advance.

### **Tentative Course Schedule (Changes will be announced during classes):**

Weeks 1-2: Introduction

Readings: Ch. 1 – Ch. 2; Ch. 5-Ch.6; Ch. 8

Assignment 1: page 44: #4; page 131-132: #3, #4

Week 3: Market Structure and Market Power

Readings: Ch. 2

Assignment 2: page 57, #1

Weeks 4-6: Game Theory and Oligopoly Markets

Readings: Ch. 9-11

Assignment 3: page 224-225, #1, #3, #4;

Assignment 4: page 244-245, #1, #3; page 263, #1.

February 25: Midterm Exam 1

Weeks 7-9: Business Strategies

Readings: Ch.12-15

Assignment 5: page 355, #2  
Form research groups and select an industry to study.

Weeks 10, 12-13: Contractual Relations between Firms  
Readings: Ch. 16-19  
Assignment 6: To be distributed.  
Prepare Research Proposal.  
**One-page outline is due on March 26.**

April 9: Midterm Exam 2

Week 14: Meetings to discuss the project.

April 21: Draft of the paper is due; organize presentation.

Weeks 15-16: Research Presentation and revising the paper

Completed Paper is due before or at final exam time.

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\*If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services in a timely manner so that your needs may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322, and <http://www.Colorado.EDU/disabilityservices>"

\*Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, culture, religion, politics, sexual orientation, gender, gender variance, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records.

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