



Department of Economics Course Outline

		Term:	Fall 2011
Course:	Economics 711.71 [Advanced Industrial Organization]	Section:	01
Time:	Reading Course	Place:	
Instructor:	Dr. J. Church and Dr. A. Hollis		
Office:	SS 442/SS 426	Telephone:	220-6106/220-5861
Office Hours:	By appointment	E-Mail:	jrchurch@ucalgary.ca ahollis@ucalgary.ca

Course Description:

This is a readings course in Industrial Organization at the doctorate level. It is the first of two readings courses offered to Ph.D. students interested in writing the field exam in industrial organization and regulatory economics and whose dissertation work will be in the field of industrial organization and regulatory economics. The goal of the two courses is use the foundations established in the MA level field courses in industrial organization and regulatory economics to create familiarity and expertise with current research and methods. As part of the two courses, students will write two papers that are intended to provide a foundation for their oral candidacy exams.

Between them, the two reading courses will cover most of the chapters in the three volumes of the *Handbook of Industrial Organization*, as well as a number of additional papers. Econ 711.71 focuses on industrial organization, Econ 711.35 regulatory economics. In addition in Econ 711.35 there will be additional material relevant to a student's research interests.

Course Outline:

1. Determinants of Firm and Market Organization:
 - Chapter 1: Technological Determinants of Firm and Industry Structure
 - Chapter 2: The Theory of the Firm
 - Chapter 3: Transaction Cost Economics
 - Chapter 4: Vertical Integration: Determinants and Effects
 - Chapter 35: Market Structure: Theory and Evidence
2. Analysis of Market Behavior
 - Chapter 6: Theories of Oligopoly Behaviour
 - Chapter 7: Cartels, Collusion, and Horizontal Merger
 - Chapter 8: Mobility Barriers and the Value of Incumbency

Chapter 9:	Predation, Monopolization, and Antitrust
Chapter 10:	Price Discrimination
Chapter 34:	Price Discrimination and Competition
Chapter 11:	Vertical Contractual Relations
Chapter 12:	Product Differentiation
Chapter 13:	Imperfect Information in the Product Market
Chapter 14:	The Timing of Innovation: Research, Development, and Diffusion
Chapter 15:	The Theory and the Facts of How Markets Clear: Is Industrial Organization Valuable for Understanding Macroeconomics?
Chapter 28:	The Economic Analysis of Advertising
Chapter 31:	Coordination and Lock-In: Competition with Switching Costs and Network Effects
Chapter 33:	A Primer on Foreclosure

Additional readings will be assigned during the term. A detailed syllabus based on preparing for the IO field exam (theory component) will be distributed.

Grade Determination and Final Examination Details:

Term Paper 100%

The single term paper is due the last day of classes. The paper is to be a literature survey related to a single topic in Industrial Organization or Regulatory Economics. It is expected to be a critical survey that identifies potential contributions to the literature that the student will explore in the second readings course in another paper.

JRC: