

AMERICAN UNIVERSITY

ECON-312 Industrial Organization

(Competition, Regulation, and Business Strategy)

M&Th 9:55-11:10 AM (Hurst 1)

Fall 2002

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Prof. Robert M. Feinberg

Roper 218 (885-3788)

Off. hrs: M 1-3, T 10-12, Th 1-3

Course Description:

This is a course in applied microeconomics, focusing on the economics of the firm and of the industry. Particular attention is given to the effect of industrial structure on the strategic behavior of firms and (through this effect) on the economic performance of industries. Both theoretical analysis and industry case studies are employed. While the public policy and empirical emphasis is on the U.S. experience, most of the course content is applicable to other developed industrial economies.

Prerequisites: ECON-100 and ECON-200

Textbooks: Waldman & Jensen, Industrial Organization: Theory & Practice, 2nd ed. (Addison-Wesley, 2001)
Adams & Brock, eds., The Structure of American Industry, 10th ed. (Prentice Hall, 2001)

Grading:

There will be a midterm and final exam (each worth 35%), a class presentation (15%), and a short paper (15%). The class presentation will involve leading class discussion (in groups of two) of an industry discussed in a chapter of the Adams/Brock book. The short paper (5-7 pages typed, double-spaced), due on Monday, December 9th (the last class), will be a critique -- *not a summary* -- of an article (which must be cleared with me) from a recent issue of the Wall Street Journal, Business Week, or The Economist.

Course outline:

Aug. 26	Introduction	Waldman/Jensen ch. 1
Aug. 29	Review of Microeconomic Theory	Waldman/Jensen ch. 2-3
no class Labor Day, Sept. 2		
Sept 5,9	Market Structure	Waldman/Jensen ch. 4-5
Sept 12	Introduction to Game Theory	Waldman/Jensen ch. 6
no class Mon. Sept. 16		
Sept 19,23,26	Market Conduct: Pricing Behavior	Waldman/Jensen ch. 7-9
Sept 30, Oct 3	Market Conduct: Nonprice Behavior	Waldman/Jensen ch. 12-13
no class Mon. Oct. 7		
Oct 10,14,17,21	Market Performance: Empirical Evidence	Waldman/Jensen ch. 16
	Case studies: student choice	Adams/Brock
*****MIDTERM EXAM -- OCTOBER 25th*****		
Oct 28, Oct 31	Antitrust Policy	Waldman/Jensen ch. 17-19
Nov 4,7,11	Case studies: Computer Hardware and Computer Software	Adams/Brock ch. 6, other sources
Nov 14,18, 21	Regulation and Deregulation	Waldman/Jensen ch. 20
	Case studies: student choice	Adams/Brock
no classes Thanksgiving week Mon. Nov. 25/Thurs. Nov. 28		
Dec 2,5,9	International Aspects of I.O.	
.	Case studies: student choice	Adams/Brock

******* FINAL EXAM *******