



Prof. Chrystie Burr
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MW, 12:40-1:30
(303)492-0863
Course Canvas site

Economics 4697-001
Industrial Organization & Regulation
Fridays, Prerecorded videos
Synchronous Online Learning
Zoom Office Hours: MW 1:30 - 2:00

Course Description:

Industrial organization is the study of competition and monopoly power and how they affect efficiency and innovation that occur in markets. Using the basic tools of microeconomic theory and game theory, this course explores the relationships among firms in an industry or across industries by examining the nature of strategic interaction among firms. The central issues concern firms' choice of price, quantity, and quality in markets where the assumptions behind perfect competition do not hold. Topics to be covered include: monopoly pricing, collusion and cartels, oligopoly behavior, product differentiation, price discrimination, firm entry and barriers to entry and mergers. We will also consider public policies that affect the structure of markets and the behavior of firms, particularly the antitrust laws that try to create a balance between the benefits of coordination and consolidation and the detriments of market power. We will approach this subject from both theoretical and applied perspectives

Prerequisite(s):

Intermediate microeconomics (ECON 3070) is a prerequisite. You must also be comfortable enough with calculus so that you can differentiate fairly simple functions, such as polynomials and exponentials.

Grading:

- In-class Participation (15%)
This requires your attendance at lectures and completing recorded lectures and readings in advance! It include your in-class presentation assignments as well.
- Group Project: Competitive Strategy Game (15%)
Strategy Submissions every 1.5 week Final write-up due April 29
- Clicker Questions (15%)
We will have at least one clicker question per class. You will be graded by whether you answer the clicker questions correctly.
- 3 problem sets & quizzes (20%)
You may discuss problem sets and work out solutions together, however: **PROBLEM SETS MUST BE WRITTEN UP INDIVIDUALLY**. ALL identical write-ups on problem sets will be given "0" credit.

{ Homework needs to be turned in on the due date. I will be more flexible considering the current pandemic situation when reasonable excuses are provided. However, the 1.5 weekly submission of the group game strategy submission has to be submitted by the deadline.

- Missed Exams

{ Make-up exams for the midterms will not be given. Midterm exam absences will only be excused for compelling circumstances (family emergencies or documented illness), in which case the other course material will be re-weighted. Students anticipating conflict with an exam due to religious observance or over-scheduling (3 or more exams on the same day) should bring these to my attention within the first 3 weeks of class.

- Special Accommodation:

{ If you require special accommodation because of disability, please submit a letter from Disability Services in a timely manner (at least two weeks before the exams or other due dates). Disability Services determines accommodations based on documented disabilities. You may contact Disability Services at 303-492-8671 or by email at dsinfo@colorado.edu. If you have a temporary medical condition or injury, see Temporary Injuries for guidelines and discuss your needs with your professor.

Topics to be covers:

- Unit 1: Theory of the firm

{ What is a firm?

{ Economies of scales and scopes

{ Incomplete contracts and information asymmetry

{ Long-run relationship and hold-up

- Unit 2: Game theory foundations

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- { Case Study II: Microsoft Antitrust Case
- Case Study III: Google Antitrust Case

- Unit 6: Entry and Market Structure
- Unit 7: Deterrence and predation
 - { Preemption
 - { Reputation
 - { Contestability
- Unit 8: Price discrimination
 - { Degrees of PD
 - { Advanced Pricing
 - { Bundling and legality of PD
 - { Case Study IV: Pricing the EpiPen: This is Going to Sting
- Unit 8: Product differentiation
 - { Horizontal differentiation
 - { Proliferation and deterrence
 - { Vertical differentiation
 - { Case Study V: Crescent Pure
- Unit 9: Networks and platforms
 - { Networks
 - { Critical mass and lock-in
 - { Platforms
- Unit 10: Intellectual property
 - { The nature of IP
 - { Copyright
 - { Patents, trademarks and international IP



"Education is the most powerful weapon which you can use to change the world."

/ Nelson Mandela