

Economics 160A-Industrial Organization
Spring 2009
Tu-Thu 10 am – 11:45 am
Social Sciences I 161

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UC - Santa Cruz

Syllabus Econ 160 A– Industrial Organization

This course is an introduction to industrial organization. It is a requirement for this course to have taken and passed Economics 100A. The main purpose of this course is to understand firm behavior. While the main focus of the course is theoretical, I will constantly refer to applied examples to make the material of the class easier to understand. Algebra and calculus are also requirements of this course. If you have not taken the calculus and algebra courses necessary to register for Econ 160, please do not register for this course.

COURSE MATERIAL

The textbook for the course is “**Modern Industrial Organization**” by **D. Carlton and C. Perloff**. Even though I will follow most of the time Carlton and Perloff’s book, I may use other sources. In that case, I will let you know what is the book or paper that I am referring to. Every other week, we will discuss a recent piece of news or a case study that is a direct application of the materials covered in class.

COURSE REQUIREMENTS

The class meets twice a week for lectures. There will be two midterm exams, two written assignments besides a final exam that will count toward the final grade. Grades will be determined as follows:

- Class Attendance & Participation 10%
- In-Class Midterm Exam 15%
- Take-Home Midterm Exam 15%.
- One-page Written Assignment 15%.
- 5-page Empirical Paper 15%.
- Final Exam 30%.

The in-class midterm exam will take place on April 30th and the take home exam will be due in class on May 14th. Finally, the final exam will take place on Tuesday June 9th from 7:30 pm to 10:30 pm. I will not offer make-up exams of any kind or adjust deadlines for anybody. If you do not show up to the exam, it will count as a 0 towards your final grade.

My office hours are on Tuesdays from 4 pm to 5 pm. You can also send me an email to rgil@ucsc.edu with your questions or doubts if you wish.

MISCELLANEA

Check the website for the course periodically to see news and announcements about the course. The URL of the website is

<http://people.ucsc.edu/~rgil/teaching.html>

There is a clear rule regarding cheating, copying and similar actions during my exams: if anybody catches you, I will fail you and report the incident to University authorities so that they act consequently with the corresponding University policy.

Do not get the wrong idea, I encourage you to work together for your problem sets and study together for your exams, but do not do anything that you may regret during the exams. Let me add that even though I encourage group discussion to solve problem sets, each one of you must hand in an individual answer set. Make sure you know how to do each problem set, that is, do not just copy your friend's solution, but try to understand what is going on.

TENTATIVE COURSE STRUCTURE

This is a tentative list of the contents of the course. We will only cover all of these if we have enough time.

1. Industry Structure and Performance (CP Ch. 8)
2. Game Theory and Competitive Oligopoly (CP Ch. 5-6)
3. Differentiated Products and Monopolistic Competition (CP Ch. 7)
4. Advertising (CP Ch. 14)
5. Patents, R&D and Technological Change (CP Ch. 16)
6. Price Discrimination (CP Ch. 9)
7. Advance Topics in Pricing (CP Ch. 10)
8. Strategic Behavior (CP Ch. 11)
9. Vertical Integration and Vertical Restraints (CP Ch. 12)
10. The Theory of the Firm (CP Ch. 2) – (IF ENOUGH TIME)