COURSE DESCRIPTION

This course examines selected topics in business strategy and public policies designed to facilitate competition. The class will read papers on regulation, static oligopoly competition, price discrimination, price dispersion, dynamic competition, entry deterrence, and vertical integration. In addition to discussing of these papers, students will write an empirical paper on industrial organization.

PREREQUISITES: ECON 20, ECON 21, AND ECON 25

CLASS HOURS:

- 11 (MWF 11:15-12:20) X-PERIOD: TU 12:00-12:50
- 12 (MWF 12:30-1:35) X-PERIOD: TU 1:00-1:50

READINGS

Readings come from academic journals. Links to the electronic versions of the readings are available from the syllabus located on the Blackboard website.

REQUIREMENTS

Students are required to do all the readings for each class, to attend class, and to participate in class discussions.

Depending on class size, each student will be assigned two or three papers for which he or she will lead the class discussion. This will count for 25% of the grade.

When students are not leading the class discussion, they should prepare a thought-provoking question to be discussed during class. Class discussion of papers, as well as classmates’ projects, count for 25% of the grade.

The major requirement for the course is a research paper. The paper is to be no more than 15 double-spaced pages of 12-point font text. This does not include references, tables, and figures. The paper can address any issue in industrial economics, but students are highly encouraged to draw from issues covered in the seminar. Topics from Econ 75 will also be considered. Over the course of the term, students will choose a topic, compile a reading list, write a literature review, gather data, analyze data, write a rough draft, present the work, and submit a final draft. To facilitate completing the final project, there
will be several intermediate steps that are due as noted on the class schedule. I will provide detailed descriptions of what is expected. The research paper (and intermediate steps) will count for 50% of the grade.

Disabilities: Students with learning, physical, or psychiatric disabilities enrolled in this course that may need disability-related classroom accommodations are encouraged to make an office appointment to see me before the end of the second week of the term. All discussions will remain confidential, although the Student Disability Services office may be consulted to discuss appropriate implementation of any accommodation requested.

USEFUL RESOURCES:

1. DATA SOURCES

Recent empirical papers published in the American Economic Review require all data be made available, along with programming code. Some researchers also make data available on web sites. For some industries, government data may be available. Finally, John Cocklin, the economics librarian at Dartmouth, has compiled a website with links to several economics datasets and economics journals.

2. STATA SOFTWARE

Location: Silsby 26 (6-3947 or Social.Science.Computing@Dartmouth.edu)

Social Science Computing (SSC) provides help installing STATA and can answer basic questions about STATA. SSC staff can also download data for students if the specific data set(s) is identified by the student. An appointment must be scheduled. If the student needs assistance with finding data, they will be referred to the library. Further information about SSC and lab hours is available here.

Information about how to install STATA and help using STATA is available here.

DATES OF DELIVERABLES:

April 9: One-paragraph description of proposed project
April 28, 30, & May 2: Proposals presentations
May 16: Draft of paper
May 23, 26, & 28: Final presentations
June 2: Final paper due
Class Schedule

March 24: Introduction: How to Write a Research Paper

March 25*: Introduction to Empirical IO (skim three review articles: Einav & Levin; Nevo & Whinston; Angrist & Pischke)

March 26: Regulation (Keohane et al.)

March 28: no class (Nuclear Power Conference on campus)

March 31: Stata primer I

April 1*: Stata primer II

April 2: Regulation (Forbes et al.)

April 4: no class

April 7: Static Oligopoly Competition (Wolfram)

April 8*: Static Oligopoly Competition (Borenstein)

April 9: Incidence (Busse et al.)
One-paragraph description of proposed project

April 11: No Class

April 14: Price Discrimination (Shepard)

April 16: Price Discrimination (Nevo & Wolfram)

April 18: Price Dispersion (Sorensen)

April 21: Price Dispersion (Brown & Goolsbee)

April 23: Loss-Leader Competition (Chevalier et al.)

April 25: Advertising & Reputation (Jin & Leslie)

April 28: Students’ Presentations of Proposals
(Literature Review, Methods, & Planned Data Sources)

April 30: Students’ Presentations of Proposals

May 2: Students’ Presentations of Proposals

May 5: Advertising & Reputation (Ackerkberg)
May 7: Network Effects (Ohashi)
May 9: Entry Deterrence (Goolsbee & Syverson)
May 12: Vertical Relationships (Chevalier & Scott Morton)
May 14: Vertical Relationships (Hastings)
May 16: No class (Green Key)
   Email draft of paper
May 19: Dynamic Competition & Collusion (Porter)
May 20*: Mergers (Nevo)
May 21: Students’ Presentations of Final Projects
May 23: Students’ Presentations of Final Projects
May 26: No class (Memorial Day)
May 28: Students’ Presentations of Final Projects
June 2: Final paper due.
Reading List

Introduction

Regulation

Static Oligopoly Competition and Market Power

Incidence

Price Discrimination

Price Dispersion
Loss-Leader Competition

Advertising and Reputation

Network Effects

Entry Deterrence

Vertical Relationships

Mergers

Dynamic Competition and Collusion