

Econ 4451-Industrial Organization
Spring 2008
Professor Coombs
Office: 208F Hawes Hall
Office Hours: M,W-1:30-3:30, & W-5:00-6:00, and by appointment.
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Description: The course is a review and extension of material from *Principles of Microeconomics*. For those who have or are taking *Intermediate Microeconomics*, you will also see similar material. The course is divided into three sections. The first reviews fundamental market structures: perfect competition and monopoly. The second analyzes basic industrial organization concepts of the theory of the firm and market concentration. The third looks at game theory and oligopolies. Certain industry studies are examined (e.g., oil, airlines, autos, etc.).

Textbook: We will use *Industrial Organization, 3rd edition* by Waldman and Jensen (Required). Industry studies will come from *The Structure of American Industry, 11th edition* by Block and Mahoney. Copies of this material will be provided.

Exams and Grading: The semester grades will be determined by three exams and the better score of two unannounced quizzes. Each exam could possibly include multiple choice, short essay, and computational questions. The type of questions that will be asked will be announced prior to each exam. These exams will be closed-book, closed-note tests. If you cannot take a test on the scheduled date, you must (1) let me know BEFORE the test or within 24 hours after the test, AND (2) provide written documentation for your absence. Failure to do BOTH (1) and (2) will result in a grade of 0 on the missed test. NO MAKE-UP TESTS WILL BE GIVEN.

There will be two unannounced quizzes. The first will be at the beginning of the semester. The second will be later in the semester. The two quizzes will be identical and only the better score of the two will count towards your semester grade.

Attendance: While class attendance will not be monitored, and therefore is not directly related to your grade in the class, there is statistical evidence showing a positive relationship between an individual's grade in a class and attendance in that class (an indirect relationship), everything else the same. The following is a suggested methodology for maximizing success in a college course: 1) read the material prior to coming to class, 2) attend the lectures to strengthen your knowledge of the topic and/or clear up remaining issues, 3) study for each exam in advance of twenty-four hours prior to the exam, and 4) utilize ALL resources (supplements) available for the course.

Classroom Behavior: Actions that diminish the effectiveness of the classroom as a learning environment are discouraged. Therefore, once I close the door and begin lecturing, **you may not enter the classroom**. Disruptive students may be given assigned seats, or may be dismissed from the lecture. If the disruption persists over time, the student will be withdrawn from the course.

1. Arrive on time, leave at the end.
2. Only upon completion of the day's lecture is this indication that it is time to "pack-up" one's belongings.
3. No side conversations or unnecessary noise during the class.
4. Do not work on other courses or personal business in class.
5. Do not come to class when you are ill and contagious. This will allow other students to remain healthy.

If you need to leave early, tell me before the lecture begins. If you will be arriving late because of a special circumstance, contact me before the lecture. If you have a special circumstance that prevents you from arriving to class on time or requires an early exit on a consistent basis, drop the class.

Lectures: My lectures will generally follow the outline of your textbook. However, you should not assume that my lectures could substitute for reading and studying out of the book. In addition, I will most likely provide examples during a lecture that are not found in your textbook.

The following is a tentative schedule including topics (chapters) we will most likely cover.

Chapter	Title
1	Introduction
2	Theory of the Firm
3	Competition
4 - AB	Industry Study: Beer Exam I (ch. 1,2, & 3 (competition); Beer)
3	Monopoly (w/ Monopolistic Competition)
4	Market Structure
2 - AB	Industry Study: Oil
3 - AB	Industry Study: Cigarettes Exam II (ch. 3 (monopoly) & 4; Oil & Cigarettes)
7	Game Theory
8	Oligopoly Theory
9	Collusion
15	Price Discrimination
5 - AB	Industry Study: Automobiles
9 - AB	Industry Study: Airlines Exam III (ch 7-9, 15; Autos & Airlines)
AB = Adams & Brock handouts	