

Detailed course outline

PART I. Demand and pricing

1. **January 23**
Overview and introduction
Reading: *Cabral*, Introduction to Industrial Organization, 2nd Ed., *Ch. 1*
2. **January 25**
Demand and elasticity
Reading: *Cabral 2.1-2.2*
3. **January 30**
Supply and monopoly pricing
Reading: *Cabral 3.1-3.2, KW Part 1: pg 8-13*
4. **February 1**
Demand estimation: examples
Reading: *Cabral 2.2-2.3*
Mini-case: *Monsanto's Roundup*
5. **February 6**
Price discrimination by indicators
Reading: *Cabral 6.1*
Mini-case: *Merck and Aids*
6. **February 8**
Price discrimination by self-selection
Reading: *Cabral 6.2-6.3*
7. **February 13**
Pricing in practice: examples

PART II. Static oligopoly analysis

8. **February 15**
Game theory - static games
Reading: *Cabral 7.1*
Due at the beginning of class: Problem set 1

February 20: no class - President's Day

9. February 22
Oligopoly price competition
Reading: *Cabral 8.1*
 10. February 27
Oligopoly output competition
Reading: *Cabral 8.2*
 11. March 1
Oligopoly models at work
Reading: *Cabral 8.3-8.4*
 12. March 6
Exam I Review: practice problems
Due at the beginning of class: Problem set 2
 13. March 8
Exam I
- March 13 and 15: no class - Spring Break

PART III. Dynamic oligopoly analysis

14. March 20
Repeated interaction and collusion
Reading: *Cabral 7.3, 9.1*
Review: practice problems
15. March 22
Collusion and price wars
Reading: *Cabral 9.2-9.4*
16. March 27
Collusion: empirical analysis and public policy
Reading: *Cabral 9.5, KW Part 1: pg 8-13*
Mini-case: *GE and Westinghouse*

PART IV. Entry and exit

17. March 29
Market Structure
Reading: *Cabral 10*

18. **April 3**
Horizontal mergers
Reading: *Cabral 11.1-11.2*
Mini-case: *GE and Honeywell*

19. **April 5**
Horizontal mergers: policy
Reading: *Cabral 11.3, KW Part 1: pg 13-29*
Mini-case: *KW Staples and Office Depot: pg 166-192*

20. **April 10**
Sequential games and commitment
Reading: *Cabral 7.2*

21. **April 12**
Entry deterrence
Reading: *Cabral 12.1*
Mini-case: *Mars and Unilever*
Due at the beginning of class: Problem set 3

22. **April 17**
Market foreclosure
Reading: *Cabral 12.2*
Mini-case: *KW Microsoft: pg 627-654*

23. **April 19**
Market foreclosure: policy
Reading: *Cabral 12.3, KW Part 2: pg 203-210*
Mini-case: *KW Spirit Airlines: pg 307-333*

24. **April 24**
Vertical relations
Reading: *Cabral 13.1, KW Part 3: pg 370-376*

25. **April 26**
Vertical integration, restraints, policy
Reading: *Cabral 13.2, KW Part 3: pg 376-380*

26. **May 1**
Networks
Reading: *Cabral 16, KW Part 4: pg 520-532*

27. **May 3**
Exam II Review
Due at the beginning of class: Problem set 4

28. May 10
Exam II: 8-10 am