

Brigham Young University Department of Economics
Economics 476: Industrial Organization
Fall 2006

James H. Cardon cardon@byu.edu

Office: 172 FOB

Phone: 422-5735

Office Hours: M and W, 9-10, T 3-4.

Text: *Industrial Organization*, by Oz Shy. The book is very brief, but clear. I will also assign 5-6 papers to read. These will be empirical papers and will require some familiarity with econometrics.

Teaching Assistant: Dan Mower

Prerequisites

Economics 380 and 382 and Calculus. We will be using game theory extensively.

Grading

There will be one midterm, two shorter quizzes, and a final. I will also require a short paper on one of the readings. I will distribute problem sets at least once per week. Points will be assigned as follows:

Midterms	30 % each
Problem Sets	5 %
Paper Review	5 %
Final	30 %

Paper Review

Read one of the assigned papers and write a brief (1-2 page) review. The paper is due the last day of class.

Midterm 1: October 12-13, Thursday and Friday, Testing Center

Midterm 2: November 16-17, Thursday and Friday, Testing Center

Final Exam: Saturday, December 16, 11-2 IN CLASS.

What is Industrial Organization? IO, for short, covers the organization of firms and markets, and the effects on welfare. The emphasis is on competition among a few firms, so that strategic interaction becomes important. You can get a good idea of the topics by glancing through Shy.

Rough Course Outline

Chapter	Topic
3	Technology, Production, Cost, and Demand
4	Perfect Competition
5	Monopoly
2	Basic Game Theory Bargaining and Auctions
6	Markets for Homogeneous Goods
7	Markets for Differentiated Goods
8	Concentration, Mergers, and Entry Barriers
11	Advertising
9	R&D

Other Topics: Bargaining and bilateral monopoly, auction theory, empirical work.

Honor Code Standards

In keeping with the principles of the BYU Honor Code, students are expected to be honest in all of their academic work. Academic honesty means, most fundamentally, that any work you present as your own must in fact be your own work and not that of another. Violations of this principle may result in a failing grade in the course and additional disciplinary action by the university.

Students are also expected to adhere to the Dress and Grooming Standards. Adherence demonstrates respect for yourself and others and ensures an effective learning and working environment. It is the university's expectation, and my own expectation in class, that each student will abide by all Honor Code standards. Please call the Honor Code Office at 422-2847 if you have questions about those standards.

Preventing Sexual Discrimination or Harassment

Sexual discrimination or harassment (including student-to-student harassment) is prohibited both by the law and by Brigham Young University policy. If you feel you are being subjected to sexual discrimination or harassment, please bring your concerns to the professor. Alternatively, you may lodge a complaint with the Equal Employment Office (D-240C ASB) or with the Honor Code Office (4440).

Students with Disabilities

If you have a disability that may affect your performance in this course, you should get in touch with the office of Services for Students with Disabilities (1520 WSC). This office can evaluate your disability and assist the professor in arranging for reasonable accommodations.