

January 15, 2021

**Economics 5360  
Industrial Organization**

Spring Semester 2021

Class Periods: Tuesdays and Thursdays, 9:10am-10:30am MST by Zoom

(<https://utah.zoom.us/j/91960843445>)

**(Most weeks we will use only the Thursday lecture period for synchronous lectures and discussions. If we need to meet on a Tuesday, I will let you know in advance.)**

**Instructor:** Marshall Steinbaum

**Email:** marshall.steinbaum@economics.utah.edu. Please contact me directly by email, not through the Canvas email system.

**Office Hours:** I have not been holding regular office hours during remote instruction. Please email me to schedule a Zoom meeting.

**Required Materials**

There is no textbook for this course. Required readings will be made available on Canvas.

**Course Description**

This course provides an introduction to the economics of Industrial Organization (IO), meaning firm, market, and industry characteristics in which there is scope for strategic interaction. The unit of analysis in IO is typically the firm, market, or industry. This contrasts with traditional microeconomics, which focuses on individuals and their decisions, and traditional macroeconomics, which focuses on whole countries' economies.

The course starts with an overview of different models of competition in markets: perfect competition, monopoly, oligopoly, monopolistic competition, and firm heterogeneity. We will cover how to tell which of these models characterizes a particular market and how to determine whether a firm possesses market power in the market(s) where it operates. We will cover how corporations are structured legally and in practice, as well as introduce the rudiments of antitrust and competition policy. In the second half of the course, we will examine a series of industries and the business models that are prevalent within them.

Evaluation will take the form of a midterm and final exam, as well as weekly readings and online discussion boards posted to Canvas, in which participation is mandatory. For the theoretical components, I may assign numerical examples to solve, but those will not be graded.

Both exams will be administered as an assignment, posted to Canvas, which you are expected to download, complete, and upload in a 24-hour period. But they should be able to be completed in the length of a single class period, i.e. approximately 90 minutes.

## Course Outcomes

By the end of this course, you should be able to

- Relate observable outcomes in a market, like concentration, markups, and entry, to the degree of competition in that market.
- Solve and compare numerical models of competition in a market.
- Explain how supply chains work and the concepts of foreclosure and neutrality/non-discrimination.
- Relate the internal structure of corporations to their conduct and strategy vis a vis other firms with which they compete.
- Understand basic antitrust concepts: mergers, conduct, market power, predation, exclusion, and price discrimination.
- Apply all of the above concepts to a number of sectors in which competition is a matter of current public debate.

## University Policies

1. ***The Americans with Disabilities Act.*** The University of Utah seeks to provide equal access to its programs, services, and activities for people with disabilities. If you will need accommodations in this class, reasonable prior notice needs to be given to the Center for Disability Services, 162 Olpin Union Building, (801) 581-5020. CDS will work with you and the instructor to make arrangements for accommodations. All written information in this course can be made available in an alternative format with prior notification to the Center for Disability Services.
2. ***University Safety Statement.*** The University of Utah values the safety of all campus community members. To report suspicious activity or to request a courtesy escort, call campus police at 801-585-COPS (801-585-2677). You will receive important emergency alerts and safety messages regarding campus safety via text message. For more information regarding safety and to view available training resources, including helpful videos, visit [safeu.utah.edu](http://safeu.utah.edu).
3. ***Addressing Sexual Misconduct.*** Title IX makes it clear that violence and harassment based on sex and gender (which includes sexual orientation and gender identity/expression) is a civil rights offense subject to the same kinds of accountability and the same kinds of support applied to offenses against other protected categories such as race, national origin, color, religion, age, status as a person with a disability, veteran's status or genetic information. If you or someone you know has been harassed or assaulted, you are encouraged to report it to the Title IX Coordinator in the Office of Equal Opportunity and Affirmative Action, 135 Park Building, 801-581-8365, or the Office of the Dean of Students, 270 Union Building, 801-581-7066. For support and confidential consultation, contact the Center for Student Wellness, 426 SSB, 801-581-7776. To report to the police, contact the Department of Public Safety, 801-585-2677(COPS).

4. ***Undocumented Student Support Statement.*** Immigration is a complex phenomenon with broad impact—those who are directly affected by it, as well as those who are indirectly affected by their relationships with family members, friends, and loved ones. If your immigration status presents obstacles to engaging in specific activities or fulfilling specific course criteria, confidential arrangements may be requested from the Dream Center. Arrangements with the Dream Center will not jeopardize your student status, your financial aid, or any other part of your residence. The Dream Center offers a wide range of resources to support undocumented students (with and without DACA) as well as students from mixed-status families. To learn more, please contact the Dream Center at 801.213.3697 or visit [dream.utah.edu](http://dream.utah.edu).
  
5. ***Mask-wearing.*** Based on CDC guidelines, the University requires everyone to wear face coverings in shared public spaces on campus, including our classroom. As a reminder, when I wear a face covering, I am protecting you. When you wear a face covering, you are protecting me and all of your classmates. If you forget your face covering, I will ask you to leave class to retrieve it. If you repeatedly fail to wear a face covering for in-person meetings, I will refer you to the Dean of Students for a possible violation of the Student Code. Note that some students may qualify for accommodations through the Americans with Disabilities Act (ADA). If you think you meet these criteria and desire an exception to the face covering policy, contact the Center for Disability and Access (CDA). Accommodations should be obtained prior to the first day of class so that I am notified by CDA of any students who are not required to wear a face covering.

### **Course Policies**

***Attendance & Punctuality:*** Attendance at synchronous lectures on Thursdays is strongly encouraged. Other course material will be available asynchronously.

***Participation:*** All students are expected to participate in class discussions, both Zoom discussions and those conducted on the Canvas class discussion boards.

***Canvas:*** It is students' responsibility to keep up with material posted to Canvas.

***Academic integrity:*** Plagiarism is strictly prohibited. If you are detected copying the work of others, either fellow students or published material, the minimum penalty is a grade of zero on whatever exam or assignment is plagiarized. Additional penalties, as specified in university policies, may be applied above that.

## **Grading Policy**

Final grades will be determined by weighted numerical average (not the raw averages reported on Canvas).

Online discussion & in-class participation:	25%
Midterm Exam:	25%
Final Exam (cumulative):	50%

### Letter Grade Distribution:

>= 93.00 A	73.00 - 76.99 C
90.00 - 92.99 A-	70.00 - 72.99 C-
87.00 - 89.99 B+	67.00 - 69.99 D+
83.00 - 86.99 B	63.00 - 66.99 D
80.00 - 82.99 B-	60.00 - 62.99 D-
77.00 - 79.99 C+	<= 59.99 F

### **Zoom Credentials for Thursday Lectures**

<https://utah.zoom.us/j/96648523534>

Meeting ID: 966 4852 3534

## Course Schedule

<u>Date</u>	<u>Topic/Discussion</u>
<b>Week 1:</b> January 18th	<b>Unit I: Theoretical Models of Competition</b> Introduction Perfect Competition Monopoly Residual Demand Elasticity
<b>Week 2:</b> January 25th	Oligopoly
<b>Week 3:</b> February 1st	The Hotelling Model of Product Differentiation Monopolistic Competition Determinants of Entry
<b>Week 4:</b> February 8th	Firm Heterogeneity Price Discrimination
<b>Week 5:</b> February 15th	<b>Unit II: Supply Chains</b>
<b>Week 6:</b> February 22nd	<b>Unit III: How Corporations Work</b>
<b>Week 7:</b> March 1st	<b>Unit IV: Introduction to Antitrust Policy</b> The Consumer Welfare Standard Market Power in Antitrust Unilateral and Multilateral Conduct
<b>Week 8:</b> March 8 <sup>th</sup>	Predation, Exclusion, and Monopolization Mergers
<b>Week 9:</b> March 15th	<b>Midterm Exam (Tentative: Tuesday, March 16<sup>th</sup>)</b>  <b>Unit V: Sectoral Case Studies of Competition</b> Retail

**Week 10:**

March 22nd Amazon

**Week 11:**

March 29th Telecoms and other utilities

**Week 12:**

April 5th Tech

**Week 13:**

April 12th Healthcare

**Week 14:**

April 19th Agriculture

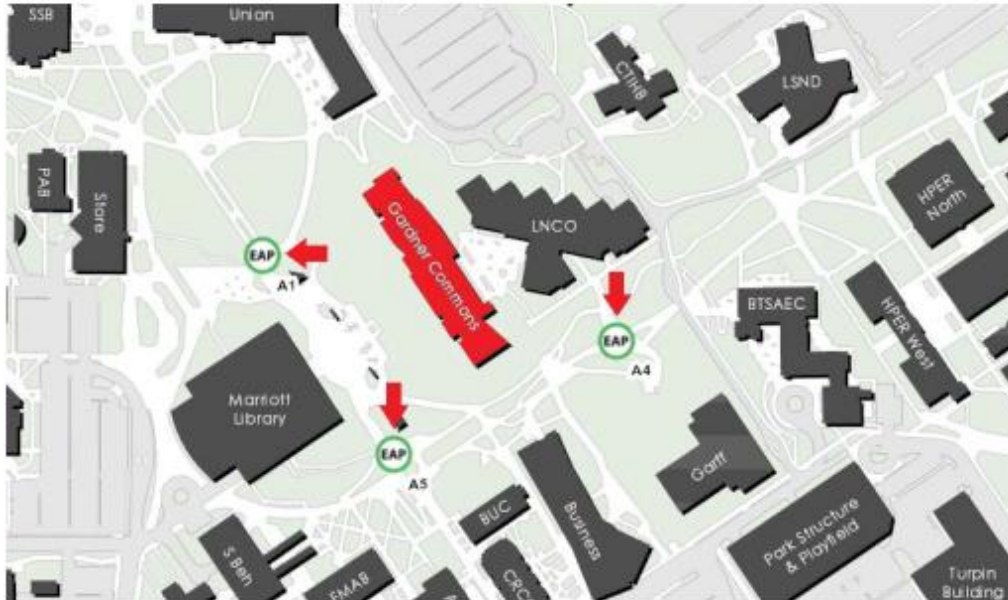
**Week 15:**

April 26th The Gig Economy

**Final Exam (Tentative: Tuesday, May 4th)**

*Note: This syllabus is meant to serve as an outline and guide for our course. Please note that I may modify it with reasonable notice to you. I may also modify the Course Schedule to accommodate the needs of our class. Any changes will be announced in class and posted on Canvas.*

# CSBS EMERGENCY ACTION PLAN



## BUILDING EVACUATION

EAP (Emergency Assembly Point) – When you receive a notification to evacuate the building either by campus text alert system or by building fire alarm, please follow your instructor in an orderly fashion to the EAP marked on the map below. Once everyone is at the EAP, you will receive further instructions from Emergency Management personnel. You can also look up the EAP for any building you may be in on campus at <http://emergencymanagement.utah.edu/eap>.



## CAMPUS RESOURCES

**U Heads Up App:** There's an app for that. Download the app on your smartphone at [alert.utah.edu/headsup](http://alert.utah.edu/headsup) to access the following resources:

- **Emergency Response Guide:** Provides instructions on how to handle any type of emergency, such as earthquake, utility failure, fire, active shooter, etc. Flip charts with this information are also available around campus.
- **See Something, Say Something:** Report unsafe or hazardous conditions on campus. If you see a life threatening or emergency situation, please call 911!

**Safety Escorts:** For students who are on campus at night or past business hours and would like an escort to your car, please call 801-585-2677. You can call 24/7 and a security officer will be sent to walk with you or give you a ride to your desired on-campus location.