

Text: Carlton and Perloff, *Modern Industrial Organization*, 4th edition
Supplemental Reading: Wall Street Journal or facsimile

Although you've had enough economics to know what an economics course is like, we have been requested to clearly articulate these matters on our syllabi. This and other economics courses are clearly intended to develop your critical thinking and problem solving skills by way of asking you to learn about the economic way of thinking. The reading in the text and the lecture in class gives you the foundation material while the problems, simulation and paper give you an opportunity to apply the concepts. Make the most of it!

Syllabus

Week	Dates	Text Reading	Problems	Simulation Schedule	
				Period	Day
1	Aug. 29 – Sept 2	Chaps 1, 2	Day 1 Handout	1	F
2	Sept 5 - 9	Chaps 2, 3	2.3(explain each), 2.5(draw it)	2	F
3	Sept 12 - 16	Chaps 3, 4	3.3(draw it). 3.4	3	F
4	Sept 19 - 23	Chap 4, 5	4.3, 4.4, Clayco 1	4	F
5	Sept 26 - 30	Chap. 6 Exam	5.1, 5.2, Clayco 2	5	F
6	Oct 3 - 7	Chap 6, 7	6.3(draw it), 6.6	6,7	W,F
7	Oct 10 – 14	Chaps 7, 8		8,9	W,F
8	Oct 19 - 21 (Fall Break)	Chap 8	8.1, 8.3	10	F
9	Oct 24 - 28	Chap 9 and 9A	9.4	11, 12	W, F
10	Oct 31 – Nov 4	Exam, 11	11.2, 11.4	13	F
11	Nov 7 - 11	Chaps 11, 13	13.2	14	F
12	Nov 14 - 18	Chaps. 14, 18	14.3	15,16	W,F
13	Nov 21 - 22 (Thanksgiving)	Chap 18	18.2, 18.4		
14	Nov 28 – Dec 2	Chap 19	19.2, 19.4	17	W
15	Dec 5 - 9	Chap 19	Clayco 3, 4, 5	18	M

Computer Simulation: You will manage a firm and compete with other students for the best profit. A substantial guide for this is supplied separately. The decision dates are listed above, e.g., the first decision must be entered on Friday of week 1.

Wall Street Journal Clippings:

- 1) Carlton and Perloff is full of examples of business behavior and public policy taken from daily papers such as the WSJ. By the middle of the semester you will have seen enough of these to start looking for similar material in your WSJ. When you find something, cut it out and attach it to a sheet of paper where you give a short explanation of what you think it illustrates. This explanation should directly compare your article to something in C&P, e.g., you might find something about a corporate scandal and compare it to Ex. 2.2. If you hand these in before the end of the semester, I will return them to you, if time allows, with suggested corrections, which you may make to improve your score. Five clippings are required.
- 2) A small set of clippings from recent news is also supplied separately with questions attached. These are listed in the problems part of the syllabus and written answers are due as assigned at the time when we get to them.

Paper: At the end of the course, a five page paper is due on a topic of your choice. You should start with an scholarly journal article or book cited in C&P (not a newspaper or weekly magazine article) and discuss three things: 1) the general issue that the article discusses; 2) some detail pertaining to the article and 3) how the article compares other literature on the general topic (which presumably you will see from C&P).

Grades:	Exams: 3	each worth	20%
	Simulation Journal		10%
	Paper		5%
	WSJ Clippings Found		5%
	Homework from text and clippings		10%
	Day to day work(class attendance and participation)		10%

Clayco Problems

The articles for these are on reserve at the library.

1) Google a Monopolist?

Mr Singhal claims that the consumer is sovereign where Google is concerned. Does this seem true? How does it relate to the claim that search engines are gatekeepers?

What does Mr. Rule say that does that directly contradicts the contention above.

What is the importance of market share of advertising that Mr. Rule speaks of?

What is the comparison to Microsoft all about?

2) Unilever & P&G

Unilever and P&G met for environmental reasons having to do with detergent boxes. Describe how they used this opportunity to “clean up.”

3) Google and ITA

What is the concern about Google acquiring ITA?

What had Google promised to try to get the merger accepted?

What does the proposed accord add to this?

Does this seem important? Does it seem simple or likely to set up future conflicts.

4) Shipping Lines

Contrast the Unilever & P&G situation with that described in the Shipping Lines

Article. Could shipping lines independently cut capacity? Would the lower capacity lead to higher prices?

5) AT&T Skepticism

Use the MHz figures to figure Herfindahl and C4 values for cellular networks without AT&T and T-Mobile merging. Redo the numbers after such a merger. (Ignore the fact that you don't have the quantities for the smaller firms and answer as if there weren't any. How would it affect your results to have all the numbers?)

Does the merger seem to affect competition much? If these figures are used would the merger be challenged? How does market definition figure in here?

What is AT&T's justification for the merger? Are you convinced?