

**ECON 375**  
**The Economics of Industrial Organization**  
**MWF 9am-9:50am McCom 201**

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Office Hours: Tues 10am-12pm  
Wed 10am-11am  
Thurs 10am-12pm  
or by appointment

**Required Text:** *Industrial Organization: Theory and Practice* 3<sup>rd</sup> Edition, by Waldman and Jensen. ISBN: 0321376102

**Internet Resources (Blackboard):** <http://muweb.millersville.edu/~muonline>

**Course Objective:** Industrial Organization is the branch of economics that studies the behavior of firms in various market structures. Two market structures that are studied in principles of micro, perfect competition and monopoly, are not completely applicable to many real world markets. This course will focus on two other market structures, monopolistic competition and oligopoly, that offer a more realistic interpretation of firm decisions and behavior. We will use a blend of graphs and math (no calculus) to study these market structures. We will also introduce game theory as a tool to analyze a firm's decision making process.

**Grading System:** There will be 1000 possible points allocated to course assignments and exams. The breakdown of points is as follows.

Assignments:

Industry analysis paper and presentation—100 pts. The class will be divided into teams of 2 to prepare both a paper (about 5 pages) and a 10-minute class presentation on a particular industry (market demand, cost structure, industry concentration, recent policy decisions affecting shape of industry, etc). The papers will be graded by me and the presentation will be evaluated by both your classmates and me.

Policy analysis—100 pts. The class will be divided into teams of 2. I will present each group with the same public policy issue. Each group will have a few days to debate the issue and draft a short essay that addresses their solution to the problem. Each group will submit one essay representing the efforts and ideas of the entire group. During the next class, each group will read the anonymous essays from the other groups and vote on the essay that they think is the best. I will also have a vote. Points will be awarded to each person in each group that (1) completes and submits an essay by the due date, (2) chooses the essay that receives the most votes, and (3) writes the essay that gets the most votes.

Homework assignments (4 assignments x 50 points each = 200 points): Homework will consist of problems covering the material covered in class.

Exam 1 (10/17)—200 points  
Exam 2 (11/21)—200 points  
Final—200 points (note: final exam will be cumulative)  
Wed 12/10 8am-10am

Regular class attendance and participation is expected throughout the semester, though I will not formally check for attendance.

**Note: I WILL NOT give any individual extra credit, so don't ask. If I do offer any extra credit, it would occur as an activity offered to the entire class. An extra credit activity is up to my discretion, and IS NOT guaranteed to occur.**

### **Grading Distribution:**

93%-100%	A	80%-82%	B-	67%-69%	D+
90%-92%	A-	77%-79%	C+	63%-66%	D
87%-89%	B+	73%-76%	C	60%-62%	D-
83%-86%	B	70%-72%	C-	below 60%	F

Note: Scores will be rounded up at .5 or more and rounded down at .49 and lower. For example, a percentage of 89.5 will be rounded to 90, and a percentage of 89.49 will be rounded down to an 89.

Grades will be updated through Blackboard. Note: Please be aware that the average scores listed in Blackboard (in Item Detail option) are not accurate. This is due to students dropping the course as the semester progresses. They are still in the Gradebook and receive scores of zero, lowering the average score for the assignment.

### **Class Policies**

- My class notes will not be given to anyone who misses class. Be sure to copy them from a classmate.
- Homework assignments will be due at the **beginning of class** on the assigned due date. If you arrive late, place the homework on the front table **as soon as you enter class**. Any assignments submitted after this point will be considered late. Late homework assignments will result in an 8 point deduction from your score. I will post the homework answers the following day by 10am. Once the answers are posted, I will not accept any late assignments. **ALL HOMEWORK ASSIGNMENTS MUST BE STAPLED** (paper clips do not count). **FAILURE TO STAPLE YOUR ASSIGNMENT WILL RESULT IN A 4 POINT DEDUCTION IN YOUR SCORE.**
- If you have a documented, verifiable excuse (varsity sports game, serious illness, death in the family) that will cause you to miss an exam, let me know as soon as possible. An unexcused absence will result in a grade of zero. **In the case of an excused missed exam, a cumulative 50 MC question makeup exam will be given on Saturday December 6 at 10am.**
- I follow the official university policy of academic integrity. (<https://www.millersville.edu/english/for-faculty/academic-integrity/index.php>). A grade of zero will be given to any assignment, quiz, or exam on which the student is guilty of cheating, the incident will be reported, and further actions ranging from a written reprimand to expulsion will be taken.
- If you have any special needs documented by the Office of Learning Services, it is your responsibility to contact me by Thursday September 4 to ensure those needs are met.
- I will use marauder email and the announcements page on blackboard to send messages to the class. Please check these often.

- Calculators for all quizzes and exams will be provided by me. No use of graphing calculators, PDAs, and cell phones are permitted.
- There is no reason for the use of a laptop in this class. Therefore, laptops are not permitted to be used during class.
- I will not tolerate any classroom disruption. Disruption includes but is not limited to: arriving late, packing up and leaving early, reading the newspaper, and any cell phone/PDA use (including text messaging). I reserve the right to dismiss you from class for repeated disruptions. Treat your classmates and me with respect and respect will be given to you.

### **Semester Schedule**

Week 1: 8/25-8/29	Ch 2: The firm and its costs
Week 2: 9/1-9/5	Ch 3: Competition and Monopoly (note: no class on Mon 9/1--Labor Day)
Week 3: 9/8-9/12	Ch 3: Competition and Monopoly (note: no class on Fri 9/12)
Week 4: 9/15-9/19	Ch 4: Market Structure
Week 5: 9/22-9/26	Ch 5: Monopoly Practices
Week 6: 9/29-10/3	Ch 7: Game Theory (note: presentations for industry analysis on Wed 10/1 and Fri 10/3)
Week 7: 10/6-10/10	Ch 7: Game Theory (note: no class Mon 10/6—Fall Break)
Week 8: 10/13-10/17	Ch 8: Oligopoly (note: Exam 1 Fri 10/17)
Week 9: 10/20-10/24	Ch 8: Oligopoly
Week 10: 10/27-10/31	Ch 9: Collusion and the Prisoner's Dilemma (note: last day for automatic withdrawal is Fri 10/31)
Week 11: 11/3-11/7	Ch 11: Price Strategies to Deter Entry
Week 12: 11/10-11/14	Ch 12: Non-price Strategies to Deter Entry

Week 13: Ch 17: Regulation and Deregulation  
11/17-11/21 (note: Exam 2 Fri 11/21)

Week 14: Ch 17: Regulation and Deregulation  
11/24-11/28 (note: no class Wed 11/26 and Fri 11/28—Thanksgiving break)

Week 15: Review/Catchup  
12/1-12/5 (note: policy analysis competition will take place on Wed 12/3 and Fri 12/5)

Week 16: Final Exam  
12/8-12/12 Wed 12/10 8-10