Economics 8210 - Industrial Organization I

Professors:
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Overview: This course is the first graduate level treatment of Industrial Organization. It is for students wishing to produce doctoral work in this area. It presumes introductory graduate level understanding of microeconomic theory, game theory and econometrics.

Readings: You should obtain each of the four books below.
(1) Mas-Colell, Andreu, Michael Whinston and Jerry Green, Microeconomic Theory, Oxford University Press 1995.

For topics not covered in these texts and those we cover in greater depth, there are supplemental readings. The starred (*) readings are required. The daggered (†) readings are highly suggested and constitute the list of papers from which you must choose your class presentation / referee report.

Grading: There will be several problem sets, one referee report (per student), one research paper proposal and a final exam. These will count for, respectively, 25%, 20%, 20% and 35% of your final grade. You are encouraged to work on the problem sets in pairs, and may turn in assignments jointly.
Referee Report: Each student must prepare a referee report for one of the daggered (†) readings. For general suggestions about how to write a referee report, read Thomson, William. “Guidelines on Writing Referee Reports”:


Research Paper Proposal: Choose one of the subjects that we cover in class, and propose a topic for research. Think of this using the following analogy: This proposal is to a completed research paper as your dissertation proposal is to a completed dissertation. That is, you need to convince us that you’ve got an interesting topic that is doable. As such, you must be reasonably specific about what your paper will consider and/or show, and the proposal should include some results. If your paper is a theory paper, your proposal should include at least an example of your model that illustrates the points you wish to make. If your paper is empirical, you should offer some descriptive statistical evidence for the problem you consider and describe how you will address it, including how you will obtain the data that you need.

Final Exam: Monday, December 10, 8:00 a.m.

1. Introduction

(*) Tirole, 1-21, 34-50.


2. Production, Technology and Industry Structure


3. Price and Quantity Competition

3.1. Durable Goods Monopoly and Price Discrimination

(*) Tirole, Chapters 1 and 3 (including supplementary sections).


3.2. Evidence-Price Discrimination


3.3. Static Models of Oligopoly

(*) Tirole, Chapters 2.1 and 5 (including the supplement to Ch. 5).


3.4. Evidence-Static Models


3.5. Dynamic Models of Oligopoly

(* ) Tirole, Chapter 6.


3.6. Evidence-Dynamic Models


4. Auctions and Mechanism Design

4.1. Theory

(*) Mas-Colell, Chapter 23.

(*) Milgrom and Roberts, 139-59.


4.2. Evidence


Laffont, Jean-Jacques and Vuong, Quang. “Structural Analysis of Auction Data,”


5. Product Differentiation

5.1. Theory

(*) Tirole, Chapter 7.


5.2. Evidence


(†) Gentzkow, M. “Valuing New Goods in a Model with Complementarity: Online Newspapers,” mimeo, Chicago GSB.


6. Antitrust-Horizontal Mergers

6.1. Theory

6.2. Evidence


7. Entry and Industry Structure

7.1. Theory

(*) Tirole, Chapter 8.


7.2. Evidence


