ECON-UA 316 PROBLEM SET №3

In answering the questions from this problem set you are expected to work with documents from the official website of the antitrust division of the U.S. Department of Justice. Feel free to copy information from the documents that you are using, but

- 1. Indicate the citations with quotation marks.
- 2. Cite the source.
- 3. Make sure your answer remains a coherent text, not a collection of pasted excerpts.

Please **type up** your answers to the questions below in a word processing software of your choice and **submit a PDF** file with your answers to NYU classes. Other types of submissions would not be accepted.

* * *

Your boss has overheard a conversation about an antitrust case that could be relevant for the business of your company. She sends you an email with the link to the New York Times article about the case and asks you to write a report summarizing the main details of the case.

- (a) Which specific violations of the antitrust law were the defendants accused of? Both give the correct reference and briefly cite the relevant text of the law.
- (b) Explain why the conduct of the companies in the case was deemed as violating the laws you reference above.
- (c) What was the market definition used in this case? How was this market definition reached? Please, elaborate.
- (d) How did the agency assess the competitive harm from the firms' conduct?
- (e) What was the agency's verdict on the ability of entry to the market to counteract the alleged anticompetitive effects? Elaborate.
- (f) How sizable were the efficiencies arising from the firms' conduct?
- (g) Were the alleged violations established by court? If no, what happened instead?
- (h) Describe any court orders or agreements that companies were expected to comply with as a result of this case. How were these requirements determined?