

INDEX

- Accidents, 1523
- Accounting: data, 961; methods, 965; rates of return, 960, 980
- Administrative: law, 1411; procedures, 1532
- Advance notification, 1157
- Adverse selection, 1381
- Advertising, 988, 993, 995, 1244
- Advertising/sales ratio, 969, 978
- Agency, 1227, 1229
- Agricultural marketing orders, 1476
- Airline, 1043–1044, 1468, 1469, 1480, 1483–1484, 1488–1489, 1491, 1493–1494
- Allowed rate-of-return, 1353
- Aluminum, 1022–1023, 1048, 1051
- Anonymous equity, 1341
- Applied research, 1066
- Appropriability, 1060–1061, 1068, 1074, 1077, 1090–1095, 1097
- Asymmetric information, 1160, 1332, 1349, 1356
- Auction, 1419; markets, 1128; theory, 1132
- Audit, 1383
- Automobile, 1021, 1025–1026, 1033–1034, 1047, 1051, 1054
- Autoregressive models, 986
- Averch–Johnson model, 1351–1352, 1380, 1460, 1477

- Banking, 1037, 1043; firms, 1047; 1051
- Bargaining power, 1436
- Barge transportation, 1473
- Barriers to entry, 1071, 1228
- Basic research, 1066, 1072
- Basing-point pricing, 1199
- Bayesian game, 1357
- Benefits, 1534
- Bidding mechanism, 1420
- Broadcasting, 1274
- Bundling, 1164
- Business cycle, 987
- Buyer concentration 967, 977

- Calibrated: models, 1212, 1214; trade models, 1213
- Canadian–U.S. auto pact, 1182
- Capital–labor ratio, 993
- Capital requirements, 978; of entry, 969
- Capture, 1255, 1266, 1269; theory of regulation, 1351

- Cartels, 1015, 1017–1018, 1023–1025, 1030, 1038, 1041–1042, 1052, 1234, 1241
- Cash flow, 1072, 1097
- Cigarette, 1038
- Coase Theorem, 1254–1255, 1258
- Coffee, 1019, 1026, 1051
- Collusion, 982, 1013, 1017–1019, 1023–1026, 1028–1029, 1038, 1041–1042, 1052–1053, 1190, 1193, 1436
- Collusive: arrangements, 1245; behavior, 1187, 1193; oligopoly, 1019
- Commitment, 1385, 1392, 1398, 1406
- Common cost problem, 1312
- Comparative: advantage, 1182, 1185–1186, 1212; statics, 1012, 1014–1015, 1032–1033, 1036–1039, 1042, 1045, 1054–1055
- Competition: for the market, 1301; policy, 1234, 1242
- Competitive: fringe, 1424; localization, 1047
- Concentration, 966, 973, 986, 992, 1060–1062, 1066, 1074–1080, 1233, 1237, 1241–1243; ratios, 966
- Conduct, 954; parameters, 1018
- Conjectural variations, 1026, 1205
- Conspiracy, 1153
- Constituency, 1270
- Consumer Product Safety Commission, 1280
- Consumer protection regulation, 1272
- Contestability, 1303, 1305
- Contestable market, 1146, 1186, 1340
- Convenience goods, 981
- Convergence hypothesis, 971
- Cooperative R&D, 1074
- Cost: complementarity, 1296; disadvantage ratio (CDR), 968; effectiveness, 1520; of capital, 1353
- Cost-plus, 1423; regulation, 1479
- Creative destruction, 1070
- Critical concentration ratio, 975, 988
- Cross-hauling, 1200
- Cross-sectional approach, 1457, 1465
- Cross subsidies, 1291, 1337, 1492–1493

- Deadweight loss, 1301
- Delegation, 1357, 1359
- Demand, 1060–1061, 1079–1083, 1097; elasticities, 973
- Demsetz competition, 1302

- Depreciation, 962
- Deregulation, 1260, 1276
- Descriptive statistics, 957, 970
- Destructive competition, 1256
- Development, 1066
- Differential pricing, 1291, 1310
- Differentiated products, 1022, 1183, 1237
- Direct revelation game, 1364
- Discrete choice, 1046
- Distributional effects, 1486–1487
- Diversification, 995, 999, 1066, 1072, 1073, 1097, 1228–1229, 1232
- Domestic market power, 1187
- Dominant firm, 1022
- Dumping, 1181, 1196, 1200
- Duopoly, 1215
- Dynamic: adjustment path, 1123; consistency, 1392
- Economic: depreciation, 963; rate of return, 963; regulation, 1450
- Economies of scale, 1182, 1187, 1230, 1292
- Effects of regulation, 1451, 1464, 1490
- Efficiency, 1119; differences, 982; losses, 1537
- Efficient pricing, 1467
- Electric utilities, 1477–1478, 1495
- Electricity, 1465
- Endogenous variables, 957
- Energy, 1475, 1493, 1495; regulation, 1272
- Entry, 996, 1054, 1187, 1205, 1266; barriers, 967, 978, 998, 1237, 1242
- Environmental: impact statements, 1543; Protection Agency (EPA), 1273; regulation, 1271, 1273, 1275, 1279, 1482, 1494
- Equivalent tariff, 1189
- European Economic Community, 1182, 1236
- Event study, 1458, 1488
- Ex post private information, 1429
- Excess capacity, 1234
- Excess value ratio (EVR), 961
- Excessive entry, 1194–1195
- Exit, 996, 998
- Exogeneity assumptions, 955
- Experiments, 1461–1462, 1467–1468; methods, 1165; procedures, 1112
- Export subsidies, 1202
- Exporting activity, 1236
- Externalities, 1256, 1508, 1513
- Facilitating practice, 1150
- Factor: prices, 1017, 1038; rent-sharing, 1489
- Fairness, 1411
- FDC pricing, 1313
- Federal Power Commission et al. v. Hope Natural Gas Co., 1411
- Federal Trade Commission, 1281
- Firm: effects, 972; growth, 1070; growth rates, 994; size, 981, 1060–1062, 1066–1074, 1079–1080
- First best, 1300, 1307
- First-price, sealed-bid auction, 1423
- Fixed costs, 1236, 1304, 1374
- Fixed-price contract, 1387
- Foreign: competition, 976; direct investment, 1237
- Franchise: bidding, 1275, 1302, 1419, 1480; fee, 1402
- Franchised monopoly, 1465, 1477
- Fuel-adjustment mechanism, 1402, 1479
- Fully-distributed (fully-allocated) costs, 1313
- Gasoline, 1043, 1047
- Gibrat's Law, 994
- Goldplating, 1382
- Graduated allowed rate-of-return, 1381
- Growth rates, 994
- H*-index, 966
- Health, safety, and environmental regulation (HSE), 1508
- Health effects, 1534
- Heckscher–Ohlin–Samuelson model, 1182
- Heterogeneity: in tastes, 1046; of firms, 1044
- Hierarchical relationships, 1436
- Horizontal mergers, 1231, 1234, 1245
- Hospital, 1480, 1483, 1486
- Identification, 1033–1034, 1045
- Imitation, 1093–1095, 1097
- Imperfect: competition, 1142; information, 1255–1256
- Import-substituting industrialization strategies, 1194
- Imports, 1243; quota, 1187, 1189, 1191
- Incentive compatible, 1365
- Incentive effects of regulation, 1479
- Incentives, 1118
- Income distribution, 1182
- Incomplete information, 1349, 1515
- Increasing returns to scale, 1292
- Incremental cost test, 1338
- Individual rationality, 1365
- Induced preference theory, 1112
- Industry effects, 971
- Inefficient entry problem, 1195
- Inflation, 962
- Information, 1508; rents, 1372–1373, 1380, 1403, 1423
- Informativeness, 1398
- Informed principal, 1426

- Innovation, 1059–1098, 1482–1484; diffusion, 1245
- Instrumental variables, 953
- Insurance, 1473–1474, 1486
- Intangible R & D capital, 1073
- Integrated equilibrium, 1184
- Interactive specifications, 974
- Interest groups, 1255, 1260, 1264, 1269
- Interindustry trade, 1185
- Intermodal competition, 1306
- International comparisons, 992
- International Trade Commission, 1195
- Interservice subsidy, 1291, 1337
- Interstate Commerce Commission (ICC), 1269
- Intraindustry trade, 1182, 1185, 1211, 1237
- Inverse elasticity rule, 1323
- IPECAC, 1212–1213

- Laboratory experiments, 1111
- Lawsuits, 1522
- Leading firms, 983
- Learning, 1065, 1090, 1093; curve, 1093, 1209
- Legal system, 1524
- “Lemons”, 1161
- Licensed occupations, 1476
- Licenses, 1237, 1245
- Life cycle, 1077
- Limited: liability, 1403; observability, 1349
- Lognormal distribution, 994
- Long-run equilibrium, 953
- Long-term contracts, 1392

- Marginal cost: pricing, 1309; test, 1338
- Market: boundaries, 966; definition, 1049; experiments, 1111; failure, 1254–1255, 1451; institutions, 1115; power, 1074–1075, 1078, 1181; structure, 954
- Market share, 982, 984; stability, 999
- Marketable permits, 1275
- Measuring the effects of regulation, 1457
- Mergers, 995
- Minimum efficient scale (MES), 968
- Minimum wage, 1271
- Mixed strategy equilibrium, 1193
- Mobility, 999
- Monitoring, 1230, 1381
- Monopolistic competition, 1181–1183, 1186, 1211, 1215, 1306
- Monopoly, 1023, 1074–1080, 1142; power, 1193, regulation, 1147; rents, 1187; welfare losses, 970
- Moral hazard, 1257, 1381, 1386, 1387
- Multi-firm regulation, 1468, 1480
- Multinational enterprises, 1186, 1237
- Multiperiod policies, 1407
- Multiplant operation, 993, 1228, 1231
- Multiple: principals, 1434; regulators, 1434

- National Labor Relations Board, 1280–1281
- Natural: gas, 1465, 1468, 1475, 1487, 1489, 1494–1495; monopoly, 1145, 1255, 1290, 1306, 1454, 1456, 1465; trajectory, 1087
- Negotiated prices, 1116, 1136
- Newspapers, 981, 1020, 1037
- Non-Bayesian mechanisms, 1430
- Nonbinding controls, 1125
- Noncooperative: behavior, 1190, 1193; equilibrium, 1194; oligopolies, 1190
- Nonequivalence of tariffs and quotas, 1189
- Nonlinear, 1291, 1311; outlay schedule, Pareto improving, 1329; outlay schedules, 1291, 1311, 1327, 1335–1356
- Nonmarket goods and services, 1535
- Normative theory as positive theory, 1455

- Observable performance, 1381
- Oil, 1495
- Oligopoly, 1013–1014, 1016, 1019, 1021, 1023, 1027–1028, 1030, 1032, 1036, 1038–1039, 1043–1044, 1046–1047, 1149; rents, 1201
- One-price mechanisms, 1116, 1126
- One-sided auctions, 1116
- Open outcry markets, 1116, 1121
- Opportunism, 1391, 1406
- Optimum tariff, 1208
- Oral double auction, 1121
- OSHA, 1280
- Overcapitalization, 1354, 1380

- Panel data, 956, 959
- Pareto distribution, 994
- Partially regulated second best, 1326
- Participation constraints, 1365
- Patents, 1063–1064, 1090–1093
- Paternalism, 1531
- Peak load pricing, 1291, 1316, 1468, 1485
- Perfect Bayesian equilibrium, 1406
- Perfectness, 1409
- Performance, 954; measures, 1119
- Persistence, 1243
- Petroleum, 1487, 1489, 1493
- Pigouvian tax, 1514
- Plant scale economies, 1228
- Political: economy, 1487; economy of regulation, 1455, 1498; entrepreneurs, 1267; forces, 1410
- Pollution, 1508, 1519
- Positive political theory, 1255
- Posted-bid (offer) markets, 1116
- Posted prices, 1140

- Predation, 1054
- Price and entry regulation, 1456
- Price–cost margin, 960
- Price: discrimination, 1181, 1196, 1291, 1310;
 - fixing, 1241; protection, 1157; -taking, 1031; wars, 1017, 1023
- Prices versus quantities, 1516
- Principal-agent problem, 1255, 1262, 1277
- Private information, 1352
- Product: differentiation, 1013, 1019, 1021, 1045, 1046, 1050; quality, 1159, 1484
- Productivity, 990, 1483–1484
- Profitability, 960, 1243, 1487
- Prohibitive tariff, 1188–1189
- Property/liability insurance, 1468
- Proportional: liability, 1525; risks, 1524
- Protectionism, 1181, 1187, 1239
- Public: goods, 1256; interest, 1258, 1452, 1455–1456, 1498; interest models, 1496; interest theory, 1254, 1265; utilities, 1274
- Punitive damages, 1526
- Pure Food and Drug Act of 1906, 1256
- Pure strategy equilibrium, 1190, 1193

- Quantitative restrictions, 1189
- Quota, 1192–1193; rents, 1193

- Railroads, 1014–1018, 1051, 1042, 1468, 1470, 1472–1473, 1481, 1482, 1488
- Ramsey pricing, 1291, 1320
- Ratchet effect, 1439
- Rate-of-return regulation, 1381, 1477
- Rate structures, 1456, 1467, 1473
- Rational conjectures, 1205
- R & D, 979, 1060–1098, 1228, 1242, 1245; capital, 1065
- Reaction functions, 1191–1192, 1204
- Reciprocal dumping, 1198–1199
- Recursive systems, 956
- Reduced form, 1034
- Regime shifts, 1025
- Regulatory: lag, 1474, 1479; outcomes, 1456; process, 1148
- Renegotiation, 1373
- Rent, 1531; -sharing, 1266; -shifting, 1208
- Repeated game, 1193
- Replication, 1117
- Response function, 1191, 1193
- Retail gasoline markets, 1051
- Revelation principle, 1357, 1361, 1363, 1364, 1394, 1519
- Revenue: equation, 1035; requirements, 1352
- Risk, 973, 1529; compensation, 1540; premium, 1389; -sharing, 1389

- Robustness, 1166

- Safety and health regulation, 1280
- Sales growth, 972
- Scale, 998, 1235; economies, 978, 1067, 1070, 1239
- Scarcity rent, 1256
- Schumpeter, 1060–1079, 1098
- Sealed bid-offer mechanism, 1127
- Second: best, 1301, 1305, 1307; -sourcing, 1426
- Securities and Exchange Commission, 1281
- Self-selection, 1360
- Sequential equilibrium, 1406
- Service competition, 1485
- Simulation, 1462, 1466, 1488
- Simultaneous: equations, 953; estimation, 1020
- Single-crossing condition, 1360
- Smyth v. Ames, 1411
- Social goals, 1528
- Spatial model, 1047
- Spillovers, 1065, 1088–1095, 1097
- Stand alone test, 1338–1339
- Standards, 1088
- State-owned enterprise, 1246
- Strategic trade policy, 1195, 1201–1202, 1205, 1207
- Subadditivity of costs, 1294
- Subsidy war, 1207
- Sunk cost, 969, 1303
- Sustainability, 1296, 1341

- Tariffs, 977, 1187, 1236–1237, 1239, 1241
- Tâtonnement mechanism, 1127
- Taxicab regulation, 1488
- Technical inefficiency, 1238
- Technological: change, 1060–1098, 1482; opportunity, 1060–1061, 1068, 1074, 1077, 1079, 1083–1090, 1097; regimes, 1087–1088
- Technology: -forcing, 1539; race, 1206
- Telecommunications, 1275, 1493, 1465
- Television, 981, 993
- Time-series analyses, 1458–1460, 1468, 1471
- Tobin's q , 961, 1464
- Tort law, 1537
- Totally regulated second best, 1326
- Tradable permits, 1521
- Transaction costs, 1235, 1254–1255, 1259, 1264
- Transaction-specific capital, 1228
- Transportation, 1269, 1274; costs, 1231
- Transray convexity, 1326, 1341
- Trucking, 1468, 1470–1471, 1473, 1481, 1485, 1488, 1491–1492, 1494
- Turnover, 999
- Two part tariff, 1328
- Two-person bargaining, 1136

Uncertainty, 1164, 1320, 1325

Undominated price vector, 1297

Uniform tariff, 1300

Unobservable actions, 1377

Value of life, 1535

Variance of profit rates, 985

Vertical: integration, 1073; restraints, 1245

Vickery auction, 1424

Wages, 990, 1491–1492

Warranties, 1164

Weak Invisible Hand Theorem, 1341

“Winner’s curse”, 1134

X-inefficiency, 1238