

## **ECONOMICS 160: Industrial Organization**

Summer B 2019  
University of California, Riverside

### **The Class:**

Time: T R 2:10 PM - 5:00 PM  
Place: 1136 Olmsted Hall

### **Instructor:**

Yoon Jae Ro  
e-mail: [yoona.ro@email.ucr.edu](mailto:yoona.ro@email.ucr.edu)  
3127 Sproul Hall  
Office Hours: T 1:00pm - 2:00pm, R 1:00pm-2:00 or by appointment

\*\* Coming to my office during office hours is the best way for me to address your questions. If my office hours don't work for you, then we can make an appointment to meet at a time that better fits your schedule.

### **General Information**

Final exam: Thursday August 29th, 2:10-5:00 p.m.  
Midterm: Tuesday August 13th in class (tentative)

### **Lecture will mostly based on my notes**

Textbook: Industrial Organization: A Strategic Approach by J. Church and R. Ware  
(The textbook is available for free at: <http://people.ucalgary.ca/~jrchurch/page4/page4.html>)  
**(OPTIONAL)** *Microeconomics*, by Besanko and Braeutigam (any edition is sufficient but 3<sup>rd</sup> edition or newer if preferred)

Course website: iLearn

\*\* I will also be emailing your campus email account and posting grades on blackboard (<https://ilearn.ucr.edu/>) so please check these frequently. Since UCR is a public institution, email messages are subject to open access requests and other intrusions. Therefore, I will not address any specific grading or other sensitive issues via email. Those issues must be addressed in person. Also, do not state your SSN on any message.

The class Blackboard site is restricted for use of class-related material. Any files, including videos, are intended for educational use for this class only. The material is subject to copyright laws and should not be downloaded and distributed.

**Brief Course Description:**

Industrial Organization (IO) studies the firm behavior beyond the assumption of perfect competition. IO economists use consumer theory, producer theory, optimization, and game theory to study firm organization, market strategy, public policy aspects of this field.

In particular IO includes profit-maximizing Pricing and market strategies, designing the marketplaces, studying the effect of incomplete information that leads to sub-optimal behaviors, and investigating the public policy responses to firm behaviors. Studying IO is an ideal lead-in to careers in antitrust/litigation or strategy consulting, marketing, corporate finance or corporate law, and public policy.

**Prerequisite:**

Economics 104B

**Course requirements and grading:**

Your letter grade will be determined by your overall numeric grade computed from a final exam, midterm exams, and homework assignments. The weight for each item and the scale for letter grades are as follows. If necessary (to improve grades in the class), the scale may be adjusted at the discretion of the instructor.

Final (45%) Midterm (30%) Homework (20%) Participation (5%)

**Participation:**

Participation will be appraised based on the active attendance.

**Homework**

You need to submit two out the three assignments. Submitting the third assignment can make up the missing points on the other ones. No late submission will be accepted. (Problem Sets and Case study analysis)

**Extra Credit:**

You can earn extra credit points (favorable nudges across grade thresholds at the end of the quarter) in this class. Extra credit can be earned in a variety of ways:

1. **Extra Credit Quizzes:** There will be online quizzes each consisting of multiple-choice questions.
2. **Extra Credit Activities:** There will be a number of voluntary activities in which students will be rewarded with extra credit points for participating.

## Tentative Schedule

Week 1: The welfare economics of market power

Week 2: Monopoly: Theory and Case Studies

Week 3: Price discrimination, Moral Hazard

Week 4: Oligopoly

Week 5: Game theory

## Course Policies:

- **Communication:** Email is the best way to reach me. I will try to respond to your email in a timely manner (within 24 hours) but an immediate response is not guaranteed. I may not reply to email sent after 5pm until the next day.
- **Punctuality** - I expect you to be on time for class, to complete assignments in a timely manner, and to take exams when scheduled. I will end on time but please do not start packing up until the class is completely done, otherwise you may miss important announcements--or worse impose that cost on others around you. If you know that you need to leave early, please inform me and sit as close to the door as possible to minimize disruptions.
- **Understanding** – If you become ill, experience the death of a loved one, or have a major life disruption that is negatively influencing your participation in our class, please contact me as soon as possible so we can discuss your options. I cannot help, if I am unaware near the time of the hardship. If emergencies arise that require an absence from a session, be sure to get the notes and other information that was covered in class from a student you trust.
- **Respect** –In the classroom respect means paying attention in class and making it easy for all others to do so as well. If you must have your cell phone on due to other responsibilities, please change the ringer to vibrate and exit the class to answer your call. It is beneficial to the entire class for students to ask questions and make comments which relate to the material. Mutual respect and civility are expected in the classroom as well as in any communication between students, and between students and instructor.
- **Rules are non-negotiable** - The rules of the syllabus, content of the exams, content of the lectures, and calculation of the grade you earned are not a starting point for negotiations. While I am always willing to work with students on an individual basis, I cannot negotiate individual terms with each student.

## Tips on being successful in this class:

(1) Come to class every single day. Because the material builds on itself rapidly, missing a class can and probably will confuse you later on down the road. We will be moving through the material quickly due to the condensed nature of the summer session, so missing a class means missing a chapter of material.

(2) Ask if you have questions. Your questions are NOT an imposition; they are welcome and make the lectures more interesting. If you're confused, chances are other people are too. When you have a question, please raise your hand first. If you feel uncomfortable asking questions in class, please come see me during office hours and/or send me an email. In fact, come see me during office hours if you have any questions at all.

(3) Do the reading assignments before class. Sometimes it will take several presentations of the material before it begins to sink in. My lectures will make a lot more sense if you have already reviewed the material.

(4) Review your notes every day after class. This seems like a lot of work, but it will force you to go over everything while it is still fresh in your memory. When you have questions, write them down and ask them before class, at the beginning of the next class (so others may benefit), or in office hours.

(5) Come and see me if you are falling behind as soon as you realize a problem. That way there is more that I can do to help.

(6) I strongly recommend that you form a small study group with classmates who are willing to work as hard as you do. Do your readings, review your lecture notes, study until you feel you thoroughly understand and can apply the material. Then sit down with your study group and compare notes to make sure they are complete and accurate. Teaching what you understand to each other will help everyone. In this way you will be aware of any gaps in your knowledge before you take an exam. You will also recognize that if you cannot communicate the material to others, it may be difficult to reflect your understanding on the exam.

(7) Do the problem set on your own before talking them over with others. You will need to be able to answer similar question on the exam on your own.

### **Other Important Reminders:**

(1) Academic Honesty. Consistent with university policy, cheating will be considered a serious offense, subject to the penalties discussed in the *UCR Senate Bylaws on Academic Integrity*. See [http://senate.ucr.edu/bylaws/?action=read\\_bylaws&code=app&section=06%20](http://senate.ucr.edu/bylaws/?action=read_bylaws&code=app&section=06%20)) These penalties include, among others, a failing grade for the course and dismissal from the University.

Examples of cheating in this course include:

- Claiming or submitting academic work of another's as one's own
- Obtaining, providing, accepting, or using any materials containing questions or answers to any exam or assignment without instructor authorization
- Completing or attempting to complete any assignment or exam for another individual without instructor authorization
- Allowing any examination or assignment to be completed for oneself, in part or in total, by another without instructor authorization
- Altering, tampering with, stealing, destroying or otherwise interfering with the resources or other academic work of another person
- Helping another student to commit cheating by intentionally failing to report an observed instance of academic dishonesty
- Plagiarizing work by 1) failing to enclose a direct quotation from a reference source within quotation marks and/or 2) paraphrasing the words or ideas of another person without proper citation or documentation.

(2) Accommodations for Disabilities. Students with disabilities should contact the to establish reasonable accommodations. For an appointment with a counselor, call 951-827-3861 (voice) or email at [specserv@ucr.edu](mailto:specserv@ucr.edu).

(3) Observing a Major Religious Holiday. You may make up course work missed to observe a major religious holiday only if you make arrangements in advance with the professor.

(4) Participation in a Required Activity. To make up course work missed to participate in a required activity for another course or a university-sanctioned event, you must provide the professor with adequate advanced notice and a written authorization from the faculty member of the other course or from a university administrator.

(5) Commercialized Lecture Notes. Commercialization of lecture notes and university-provided course materials is not permitted in this course.