

ECO 7341
Theory of Industrial Organization
(Imperfect Markets)
Fall, 2021.

Instructor:

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Office Hours: Mondays & Wednesdays, 10 - 11.30 AM & by appointment.

Lectures: Tuesday & Thursday, 2 - 3.20 PM, Room 301-S Umphrey Lee

Introduction.

Industrial Organization (I.O) is primarily concerned with the causes and consequences of market power, the strategic behavior of firms in markets and the links between firm behavior, market structure and the economic performance of markets. This course is directed towards Ph.D. students in economics who have completed their core requirements for candidacy. This course will focus on a set of selected topics in I.O. theory and introduce students to the various research questions, modeling approaches, basic results as well as some exciting new developments in these areas.

Objectives:

1. Explain the research methods, theoretical approaches and questions in the frontiers of industrial organization.
2. Discuss basic results and recent research developments in the field.

Expected Background:

It is expected that students taking this course will be proficient in graduate level micro-economic theory and basic game theory.

Textbook:

Required: *The Theory of Industrial Organization* by Jean Tirole, MIT Press, 1988.

Supplementary Text: *Industrial Organization: Markets and Strategies* by Paul Belleflamme and Martin Peitz, Cambridge University Press, 2010.

Paper Presentations:

Students will be assigned papers (or chapters from books) for presentation in class.

Examination:

A mid-term examination (take home)

Evaluation:

Final grade will be assigned on the basis of performance in the midterm exam (40%) and paper presentations (60%).

Tentative List of Topics:

1. Durable goods monopoly, Coase conjecture
2. Competition: Pre-commitment, Product Differentiation; Collusion
3. Informative Advertising, Consumer Search, Switching Cost & Competition.
4. Markets with Asymmetric Information about product quality: Competition, Signaling and Disclosure; Advertising; Certification; Adverse Selection in Secondary Durable Good Markets: Leasing, Dynamic Trading.
5. Technological Change: Innovation and R&D Activity, Patent Races, Adoption of New Technology, Cooperative and Non-cooperative R&D; Research Joint Ventures.
6. Industry Dynamics.

SMU Required Syllabus Statements

Title IX and Disability Accommodations

Disability Accommodations	Students who need academic accommodations for a disability must first register with Disability Accommodations & Success Strategies (DASS). Students can call 214-768-1470 or visit http://www.smu.edu/Provost/SASP/DASS to begin the process. Once they are registered and approved, students then submit a DASS Accommodation Letter through the electronic portal, <i>DASS Link</i> , and then communicate directly with each of their instructors to make appropriate arrangements. Please note that accommodations are not retroactive, but rather require advance notice in order to implement.
Sexual Harassment	All forms of sexual harassment, including sexual assault, dating violence, domestic violence and stalking, are violations of SMU's Title IX Sexual Harassment Policy and may also violate Texas law. Students who wish to file a complaint or to receive more information about the grievance process may contact Samantha Thomas, SMU's Title IX Coordinator, at accesssequity@smu.edu or 214-768-3601. Please note that faculty are mandatory reporters. If students notify faculty of sexual harassment, faculty must report it to the Title IX Coordinator. For more information about sexual harassment, including resources available to assist students, please visit www.smu.edu/sexualmisconduct .
Pregnant and Parenting Students	Under Title IX, students who are pregnant or parenting may request academic adjustments by contacting Elsie Johnson (elsiej@smu.edu) in the Office of the Dean of Students, or by calling 214-768-4564. Students seeking assistance must schedule an appointment with their professors as early as possible, present a letter from the Office of the Dean of Students, and make appropriate arrangements. Please note that academic adjustments are not retroactive and, when feasible, require advance notice to implement.

SMU Requirements

Religious Observance	Religiously observant students wishing to be absent on holidays that require missing class should notify their professors in writing at the beginning of the semester and should discuss with them, in advance, acceptable ways of making up any work missed because of the absence. Click here for a list of holidays.
COVID-19 and Other Medical-Related Absences	Students who test positive for COVID-19 and need to isolate, or who are notified of potential exposure, must follow SMU's Contact Tracing Protocol . To ensure academic continuity and avoid any course penalties, students should follow the same procedures described by their instructors as they would for any other medical-related absence in order to be provided with appropriate modifications to assignments, deadlines, and exams.
Excused Absences for University Extracurricular Activities	Students participating in an officially sanctioned, scheduled university extracurricular activity should be given the opportunity to make up class assignments or other graded assignments that were missed as a result of their participation. It is the responsibility of the student to make arrangements for make-up work with the instructor prior to any missed scheduled examinations or other missed assignments. (See 2020-2021 SMU Undergraduate Catalog under "Enrollment and Academic Records/Excused Absences.")
Final Exams	Final course examinations shall be given in all courses where appropriate, and some form of final assessment is essential. Final exams and assessments must be administered as specified in the official examination schedule. Exams cannot be

	administered or due during the last week of classes or during the Reading Period. Syllabi must state clearly the form of the final exam or assessment, and the due date and time must match the official SMU exam schedule. Final exams are not required to be provided online.
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Student Support

Student Academic Success Programs	Students needing assistance with writing assignments for SMU courses may schedule an appointment with the Writing Center through Canvas. Students who would like support for subject-specific tutoring or success strategies should contact SASP, Loyd All Sports Center, Suite 202; 214-768-3648; https://www.smu.edu/sasp .
Caring Community Connections Program	CCC is a resource for anyone in the SMU community to refer students of concern to the Office of the Dean of Students. The online referral form can be found at smu.edu/deanofstudentsccc . After a referral form is submitted, students will be contacted to discuss the concern, strategize options, and be connected to appropriate resources. Anyone who is unclear about what steps to take if they have concerns about students should either consult the CCC Reference Guide or contact the Office of the Dean of Students at 214-768-4564.

Optional language

Campus Carry Law	In accordance with Texas Senate Bill 11, also known as the ‘campus carry’ law, and following consultation with entire University community, SMU chooses to remain a weapons-free campus. Specifically, SMU prohibits possession of weapons (either openly or in a concealed manner) on campus. For more information, please see: http://www.smu.edu/BusinessFinance/Police/Weapons_Policy .
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