

ECONS-425 “Industrial Organization” (Global Campus, on-line)
Course Content

Unit 1: Microeconomics Foundations

Lesson 1:

- 1.1. Introduction
- 1.2. History of I/O

Lesson 2:

- 2.1. Supply & Demand
- 2.2. Perfect Competition
- 2.3. Monopoly
- 2.4. Welfare
- 2.5. Discounting
- 2.6. Coase Conjecture

Lesson 3:

- 3.1. Technology
- 3.2. Cost Minimization
- 3.3. Total Cost Function
- 3.4. Market Size
- 3.5. Economies of Scale

Lesson 4:

- 4.1. Concentration Ratio Index
- 4.2. HH Index
- 4.3. Market Power

Unit 2: Market Power

Lesson 5:

- 5.1. Price Discrimination
- 5.2. First-Degree Price Discrimination
- 5.3. Two-Part Pricing
- 5.4. Block Pricing
- 5.5. Third-Degree Price Discrimination
- 5.6. Elasticity Relationships
- 5.7. Second-Degree Price Discrimination
- 5.8. Two-Part Tariff
- 5.9. Menu Pricing
- 5.10. Menu Pricing Welfare

Lesson 6:

- 6.1. Dominance
- 6.2. Nash Equilibrium
- 6.3. Continuous Action Spaces
- 6.4. Sequential Continuous Action Spaces

6.5. Bargaining

Unit 3: Oligopoly

Lesson 7:

- 7.1. Product Differentiation
- 7.2. Vertical Differentiation Exogenous
- 7.3. Vertical Differentiation Endogenous
- 7.4. Low Quality Goods
- 7.5. Hotelling Line
- 7.6. Horizontal Differentiation

Lesson 8:

- 8.1. Cournot Competition
- 8.2. Adding Functional Form
- 8.3. Forming a Cartel
- 8.4. Cournot Extensions
- 8.5. Bertrand Competition
- 8.6. Capacity Constraints
- 8.7. Differentiated Products
- 8.8. Price Match Guarantee
- 8.9. Stackelberg Competition
- 8.10. Credible Threats

Lesson 9:

- 9.1. Barriers to Entry
- 9.2. Preventing Entry
- 9.3. Capacity Commitment
- 9.4. Asymmetric Information
- 9.5. Long Term Contracts

Lesson 10:

- 10.1. Finitely Repeated Games
- 10.2. Infinitely Repeated Games
- 10.3. Cartel Sustainability
- 10.4. Cartel Extensions

Unit 4: Contractual Relationships

Lesson 11:

- 11.1. Horizontal Merger Paradox
- 11.2. The 80 Percent Rule
- 11.3. Cost Benefits
- 11.4. Market Advantage
- 11.5. Sequential Mergers
- 11.6. Differentiated Products

Lesson 12:

- 12.1. Downstream Market
- 12.2. Upstream Market
- 12.3. Vertical Integration
- 12.4. Multiple Firms
- 12.5. More Integration
- 12.6. Foreclosure
- 12.7. Squeeze Pricing

Lesson 13:

- 13.1. Vertical Restraints
- 13.2. Vertical Market
- 13.3. Resale Price Maintenance
- 13.4. Differentiated Consumers
- 13.5. Retail Services
- 13.6. Uncertain Demand
- 13.7. Non-price Vertical Restraints

Unit 5: Non-price Competition**Lesson 14:**

- 14.1. DS Condition
- 14.2. Quality Signal
- 14.3. Optimal Information
- 14.4. Branding

Lesson 15:

- 15.1. Research and Development
- 15.2. Innovation
- 15.3. Competitive Research
- 15.4. Product and Process Innovation
- 15.5. Spillover Effects

Economics 425 Industrial Organization

Course Instructor:

Maria Dolores Garrido-Garcia

Course Communication:

- General course questions should be submitted to the "Questions for the Instructor" forum located in Class Discussions.
- Read the **Instructor Interaction** section in this syllabus for more details about course communications.
- Select the Course Tools link to see which communication tools your instructor is using for this course.
- Instructor email: m.garridogarcia@wsu.edu

Text and Resources:

[More Information](#)

Course Overview

This course analyzes the behavior of individuals, consumers, and firms as they interact in an imperfectly competitive market. The focus of the course will mainly be theoretical, although several applications and empirical implications will be discussed.

Course Goals

The perfectly competitive market, while efficient, is rarely encountered in the real world. Almost all markets that people interact with utilize some form of imperfect competition, i.e., some agent in that market can utilize market power to their advantage. Industrial Organization is the study of how firms utilize market power in their operations. The presence of market power allows several methods for firms to leverage a market; increasing their profits while competing with others who may share that market power.

The student will demonstrate the ability to think critically and to use appropriate concepts to analyze quantitative and qualitative problems and situations involving firm decisions and strategies.

Course Text

The material for this course is presented both through video-based lectures and text-based readings. The textbook readings associated with the course lessons is

Contemporary Industrial Organization: A Quantitative Approach, by Lynne Pepall, Dan Richards, and George Norman.

Course Work

There will be 4 problem sets, 4 quizzes, a midterm, and a final. In addition, there will be some optional (extra credit) data exercises, and discussion based assignments, where we will explore some empirical problems in industrial organization. All due dates besides the discussion based assignments are included on the course schedule.

Instructor Interaction

The instructor will make every effort to check the course space every weekday morning for messages. Circumstances may not allow this 100% of the time. Typically, I get grading done about ten days after each due date, but am happy to give preliminary feedback early if requested. For urgent matters, it is easiest to contact me via email.

Late Work Policy

Late work is not accepted without prior approval. Students may request extensions on assignments from the instructor for various reasons, and will be granted on a case by case basis. I am a fairly reasonable person, and am likely to accommodate most requests that are made in a timely manner. For example, if you have a job interview on the day of an exam, tell me in advance, and I'll let you take it another time. However, I am not likely to approve an extension request the night before something is due (barring an emergency).

Grading

This section will contain grading information and tables and will NOT be public to web visitors for preview of the syllabus.

Course Work	Percent of Final Grade
4 Problem Sets	25
4 Quizzes	15
Midterm	30
Final	30

I use a fairly standard university scale with a few guarantees. For example, if you earn higher than 90% of the points in this class, I guarantee that you will receive an A for this course. If you earn higher than 80% of the points in this class, I guarantee that you will receive at least a B, if not better. I reserve the right to adjust my breakpoints for each grade down at the end of the semester to assign what I believe is the appropriate grade for each student in this class (Note: I will not adjust breakpoints up, thus making any adjustments to the final grades always in the students' favor). Furthermore, I reserve the right to raise any student's grade for whatever reason I see fit.

Grade	Percentage
A	> 90%
B	> 80%
C	> 70%
D	> 60%
F	< 60%

Incomplete Grade Policy (Academic Rule 90h)

Incompletes are granted only with permission of the instructor and are subject to the following guidelines:

1. Students must request an incomplete in writing or by e-mail from the instructor before the end of the semester.
2. The request must be signed and dated by the student (or identified by student's e-mail address), and must explain the reasons behind the request for the incomplete.
3. In order to be considered for an incomplete, **there are two main conditions:**
 1. A student must complete a minimum amount of the assigned course work. Specifically, a student must complete 75 percent of the course work.
 2. A student must have a mathematical possibility of passing the class. A passing grade is 60 percent or above for the entire course.
4. If extraordinary circumstances (e.g., family emergency, serious illness) are involved and are documented to the instructor's satisfaction, the professor/ instructor retains the discretion to grant an incomplete even if the minimum conditions outlined in item 3 above are not met.

If an incomplete is granted, the standard WSU policy applies (i.e., ALL work must be completed within one full year from the end of the enrollment semester at issue, unless a shorter time is specified by the instructor. Otherwise, an automatic grade of "F," or failing, will be entered on the student's transcript).

Credit Hour Equivalent

Academic credit is a measure of the total minimum time commitment required of a typical student in a specific course. For the WSU semester system, one semester credit is assigned for a minimum of 45 hours of student effort. See [Academic regulation 27](#).

Students should expect to spend a minimum of 9 hours per week for each online 3-credit course engaged in the following types of activities; reading, listening to/viewing media, discussion conversation in the LMS or other academic technology, conducting research, completing assignments and reviewing instructor feedback, studying for and completing assessments, etc.

Academic Integrity

Academic integrity is the cornerstone of higher education. As such, **all members of the university community share responsibility for maintaining and promoting the principles of integrity in all activities, including academic integrity and honest scholarship.** Academic integrity will be strongly enforced in this course. Violation of WSU's Academic Integrity Policy (identified in Washington Administrative Code (WAC) 504-26-010(3) and -404) may result in penalties up to and including failing the assignment, exam, quiz, course requirement, or the course itself and students will not have the option to withdraw from the course pending an appeal, and will be reported to the Office of Community Standards.

Cheating includes, but is not limited to, plagiarism and unauthorized collaboration as defined in the Standards of Conduct for Students, WAC 504-26-010(3). You need to read and understand all of the definitions of cheating: <http://app.leg.wa.gov/WAC/default.aspx?cite=504-26-010>. If you have any questions about what is and is not allowed in this course, you should ask course instructors before proceeding.

If you wish to appeal a faculty member's decision relating to academic integrity, please use the form available at communitystandards.wsu.edu/.

Copyright

Any course-related materials, presentations, lectures, etc. are the instructor's intellectual property and may be protected by copyright. The use of University electronic resources for commercial purposes, including advertising to other students to buy notes, is a violation of WSU's computer abuses and theft policy (WAC 504-26-218). Selling class notes through commercial note taking services without written advance permission from the faculty, could be viewed as be as copyright infringement and/or academic integrity violation, WAC 504-26-010 (3)(a,b,c,i).

Academic Regulations

Students enrolled in online courses are subject to the same University academic regulations as on-campus students. For the most accurate and up to date information go to <http://registrar.wsu.edu/academic-regulations/>.

Discrimination and Harassment Policy

Discrimination, including discriminatory harassment, sexual harassment, and sexual misconduct (including stalking, intimate partner violence, and sexual violence) is prohibited at WSU (See [WSU Policy Prohibiting Discrimination, Sexual Harassment, and Sexual Misconduct](#) (Executive Policy 15) and WSU Standards of Conduct for Students ([Chapter 504-26 WAC](#)).

If you feel you have experienced or have witnessed discriminatory conduct, you can contact the WSU Office of Civil Rights Compliance & Investigation (CRCI) and/or the [WSU Title IX Coordinator](#) at 509-335-8288 to discuss resources, including confidential resources, and reporting options. (Visit crci.wsu.edu for more information).

Most WSU employees, including faculty, who have information regarding sexual harassment or sexual misconduct are required to report the information to CRCI or a designated Title IX Coordinator or Liaison. (Visit crci.wsu.edu/reporting-requirements for more info).

Reasonable Accommodations

Reasonable accommodations are available for students with a documented disability. If you have a disability and need accommodations to fully participate in this class, please either visit or call your campus Access Center (see contact information listed below) to schedule an appointment. All accommodations MUST be approved through the Access Center of your campus. For more information contact a Disability Specialist on your home campus:

- Global Campus <https://accesscenter.wsu.edu/students/global-campus-students/>
 - Pullman: 509-335-3417 <http://www.accesscenter.wsu.edu>, Access.Center@wsu.edu
 - Spokane: 509-358-7757, Academic Center 145F, <https://spokane.wsu.edu/studentaffairs/access-resources/>
 - Tri-Cities: 509-372-7352, Floyd 269C; <http://www.tricity.wsu.edu/disability/>
 - Vancouver: 360-546-9238, Classroom Building <http://studentaffairs.vancouver.wsu.edu/access-center>, van.access.center@wsu.edu
-

Accommodations for Religious Observances or Activities

Washington State University reasonably accommodates absences allowing for students to take holidays for reasons of faith or conscience or for organized activities conducted under the auspices of a religious denomination, church, or religious organization. Reasonable accommodation requires the student to coordinate with instructor on scheduling examinations or other activities necessary for course completion. Students requesting accommodation must provide written notification within the first two weeks of the beginning of the course and include specific dates for absences. Approved accommodations for absences will not adversely impact student grades. Absence from classes or examinations for religious reasons does not relieve students from responsibility for any part of the course work required during the period of absence.

Safety and Emergency Notification

Classroom and campus safety are of paramount importance at Washington State University and are the shared responsibility of the entire campus population. WSU urges students to follow the “Alert, Assess, Act,” protocol for all types of emergencies and the [“Run, Hide, Fight”](#) response for an active shooter incident. Remain ALERT (through direct observation or emergency notification), ASSESS your specific situation, and ACT in the most appropriate way to assure your own safety (and the safety of others if you are able).

Please sign up for emergency alerts on your account at MyWSU. For more information on this subject, campus safety, and related topics, please view the FBI’s Run, Hide, Fight video and visit the WSU safety portal.

Full details including campus-specific safety information can be found at <https://provost.wsu.edu/classroom-safety/>

Lauren's Promise

I will listen and believe you if someone is threatening you.

Lauren McCluskey, a 21-year-old honors student athlete, was murdered on Oct. 22, 2018, by a man she briefly dated on the University of Utah campus. We must all take actions to ensure that this never happens again.

If you are in immediate danger, call 911.

If you are experiencing sexual assault, domestic violence, and stalking, please report it to me and I will connect you to resources or call Alternatives to Violence of the Palouse at 877-334-2887 (24-hour crisis hotline).

Any form of sexual harassment or violence will not be excused or tolerated at Washington State University. WSU has instituted procedures to respond to violations of these laws and standards, programs aimed at the prevention of such conduct, and intervention on behalf of the victims.

WSU Police officers will treat victims of sexual assault, domestic violence, and stalking with respect and dignity. Confidentiality is of the utmost importance and WSU Police will assist by providing resources to victims. In addition to its law enforcement efforts regarding sexual assault, domestic violence and stalking, WSU Police refer victims to the appropriate university and/or local community counseling and other resources devoted to assisting victims.

Advocates help survivors determine their own needs in regards to their physical and emotional health, reporting options, and academic concerns. They connect survivors to campus and community services, and provide accompaniment to important appointments (court, hospital, and police) and support throughout the process. WSUPD can also connect you with advocacy services, if desired. The local advocacy group is Alternatives to Violence of the Palouse, whose services are free, immediate, and confidential.

Other confidential resources include WSU Counseling and Psychological Services. If you would like to speak with a counselor after business hours, WSUPD can contact the on-call counselor and have them call you directly or a crisis telephone number is provided. Information shared with the counselor will not be provided to WSUPD without expressed permission from you.

WSU Counseling and Psychological Services 509-335-2159 (crisis services line)

Online Collaboration

The essence of education is exposure to diverse viewpoints. In your discussion posts you'll meet students with vastly different opinions and backgrounds. You're encouraged to disagree with the substance of others' ideas and opinions but do so with an active sense of respect for one another, and without losing focus on the topic at hand. Personal attacks, inflammatory statements, flaming, trolling, and disruption of the discussion do not have a place in academic discourse. Postings must comply with University policy on use of computing resources, including those regarding harassment and discrimination, as well as conform to the WSU [Community Standards](#).

Your instructors will promote high-quality academic discussions by removing any posts they view as disruptive of the educational process and alerting students whose posts have been removed that they have violated course expectations. Students who continue to misuse the discussion boards after a warning may be subject to removal of access rights, course failure, and referral to the Office of Community Standards.

For information on the Core Rules of Netiquette, visit <http://coursedesign.colostate.edu/obj/corerulesnet.html>

WSU Global Campus Student Support

The WSU Global Campus Current Student site <https://online.wsu.edu/currentstudent/> has all the non-content and administrative and contact related information you need to be a successful online learner as well as [study tips and skills for success](#).

Technical Support

If you need technical assistance, please select the **Course Information** link in the course menu, then select Technical Support.

Library Support

All students enrolled in Washington State University online courses can use the WSU Libraries online databases and receive reference and research assistance from their home campus. Students can also borrow books and other circulating material as well as access full-text journal articles.

General Library Links by Campus

- Pullman: <http://libraries.wsu.edu>
 - Global Campus: <http://libguides.libraries.wsu.edu/global>
 - Vancouver: <https://library.vancouver.wsu.edu/>
 - Tri-Cities: <http://tricities.wsu.edu/library>
 - Spokane – Riverpoint and Nursing at Yakima: <https://spokane.wsu.edu/library/>
 - College of Nursing: <https://nursing.wsu.edu/library-services/>
-

Online Tutoring

As a WSU student enrolled in an undergraduate course, you have FREE unlimited access to Online Tutoring. This is not a course requirement, but a resource for you to utilize as needed.

With three ways to access a tutor you can choose the one that best fits your needs:

- **Submit a paper:** Writing Lab tutors will respond to papers in ANY academic subject. Just submit your paper, ask specific questions on the submission form, and a tutor will respond within 24-48 hours.
- **Live tutoring:** eChat rooms allow students to meet with tutors in one-on-one tutoring sessions via a fully interactive, virtual online environment.
- **Leave a question:** Students can leave specific questions for a tutor in any of our subjects by taking advantage of our eQuestions option. Our tutors will respond to your question within 24-48 hours.

More details and the list of available tutoring subjects can be found at www.eTutoringOnline.org.

Important Dates and Deadlines

Students are encouraged to refer to the academic calendar often to be aware of critical deadlines throughout the semester. The academic calendar can be found at <http://registrar.wsu.edu/academic-calendar/>.
