

Huron University College
Department of Economics
Economics 3357A– Industrial Economics
Fall 2019
Classroom: W18
Time: Fridays 11:30am to 2:30pm

Instructor: Dr. Mahdiyeh Entezarkheir

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Instructor's Office Hours: Fridays 10:30 to 11:30. To avoid any delay during office hours, please send me an email to book a spot. If this timing is not conducive to your schedule, please feel free to email me so that we can set up an appointment.

Course Webpage:

<https://owl.uwo.ca/portal>

Please check announcements of the course in the above address regularly.

Course Description and Objectives

Industrial Economics is an introductory course in the field of industrial organization and provides students with a foundation for further study in this area. So far in our Economics courses, we have learned that in perfectly competitive markets the allocation of resources is efficient, meaning producers sell their goods and services at their marginal cost and consumers pay prices that indicate their marginal valuation. Nevertheless, in real world, we barely come across with industries which are perfectly competitive. This course addresses different theories of imperfectly competitive markets and their impacts on pricing and output. Particularly, we will try to address interesting questions, such as how do firms price their products? how come some firms can charge different prices for the same product from different customers? what are market structure and market power, and how can we measure them? why do firms invest in R&D, and what is the role of patents in their R&D decisions? how can we promote innovation in the pharmaceutical industry?, as time permits.

Course Method

We begin the term with a short review on the required foundation of microeconomics. We proceed with discussions on market structure, market power, and mergers. We try to incorporate their applications to the real world examples. We continue this term with the analysis on price discrimination, entry and exit decision of firms, and advertising. Finally, we finish on hot topics of intellectual property rights and Research & Development.

This course engages students in understanding new topics in microeconomics by requiring students to prepare and present a research project either in the form of a paper or a poster. This assignment of the course further helps students to strengthen their presentation skills.

Prerequisites

Instructor assumes all students are familiar with elementary algebra and calculus, as well as Econ 2160 and 2161. Students are responsible for checking that they have successfully completed all course prerequisites.

Antirequisite(s): Economics 2165F/G, 3364A/B, 3365A/B.

Prerequisite(s): Economics 2261A/B

Textbook

- **Main text which is optional:** Peball, Lynne, Dan Richard, and George Norman (2011), *Industrial Organization: Contemporary Theory and Empirical Applications*, Blackwell Publishing, ISBN: 9781405176323.
 - I use a variety of resources for each lecture. Therefore, I make this text optional,
 - The textbook is available from the Bookstore at Western.
- Optional: Whinston and Smith (2008), *Lectures on Antitrust Economics*, MIT Press, ISBN: 9780262731874.
- Optional: Massimo Motta (2004), *Competition Policy: Theory and Practice*, Cambridge University Press, ISBN: 9780521016919.
- Optional: Perloff (2008), *Microeconomics: Theory and Application with Calculus*, First Edition, Pearson / Addison Wesley.

Completion

Students will be assessed based on the following activities:

- Class participation: 10%
- Midterm [Friday, **November 15**, during class]: 30%
- Group research proposal [Due on **October 25**, in the beginning of the class]: 20%
- A number of Group Poster Progress meetings (Dates, time, and length will be specified in class, most probably 4 meetings during class time): 20%
Please note that I cannot be very specific here as dependent on the rate of progress and number of registered students, I have to adjust the number of these observations and we may need to meet in times other than class time.
- Print poster after obtaining instructor's approval for the CURL conference
- Group Poster presentation at Huron's Center for Undergraduate Research Learning Conference (CURL: <http://www.huronresearch.ca/curl/>) Date, Location and time will be announced once decided by CURL (20%). Most probably on **Nov 28**.
- Mandatory attendance in class of **Sept 27** and **Oct 25** [Lack of attendance in any of these results in losing 2 marks].
- In case of group work, any group change must be done by **Sept 27** by the end of class time.

-In-class participation is mostly based on readings assigned papers and news articles for the class and participating in the discussions of that paper. Please be prepared to have a lot of readings in this course due to the nature of the course.

-*Midterm Exam* is 30% of the mark and is on November 15 during the class time and based on the lectures which will be specified by the instructor. For **Academic Accommodation for Medical/Non-Medical Grounds** please refer to the following. In case a proper documentation is not provided in a timely manner, the student receives no grade on that task and his/her final grade will be computed in accordance with the specified assessment above. If a proper documentation is provided, there will be no make-up test for the midterm exam. Instructor may conduct an oral test or prorate the grade of the missed test to other tasks of the course.

-Any complaint on the midterm mark should be done within **15** days from the day that marked midterms are returned in class. No complaint on the midterm mark will be considered after this date. Any student that submits a test for remarking should understand that their grade may improve, remain unchanged or perhaps even decrease as a result of the remarking process.

-*Research proposal* is 20% of the mark and due on Oct 25 right in the beginning of the class. Students should follow the guideline on how to write and hand in the proposal posted on Owl to get the full mark. Proposal should not be **more than two pages, typed, and stapled**.

To provide more guidance for students, a detailed guideline for how to write a proposal and poster, and examples of a proper proposal and poster are posted on Owl as well as the marking scheme that the instructor will use for marking proposals. Please note that you cannot choose the topic of the example proposal or poster.

- We will have a presentation on how to write your research project by Ms. Amanda Penny from Huron's Writing Services during class time on **Sept 27**. The attendance in this session is mandatory. Absence warrants losing 2 marks.

- We will have a presentation by Mr. Ryan Rabie from Huron's library during class time on **Oct 25**. He will explain how to prepare a poster. The attendance in this session is mandatory. Absence warrants losing 2 marks.

-In case of a group work for proposal and research project, if a student in a group does not participate, it is the duty of the rest of the group to inform the instructor. How?

- A student who feels a groupmate is **shirking** should send an email to that student, cc me (prof.mahdiyeh@gmail.com) in that email, and explain the problem to that student at least a week before the due date of the group work in the course.
- I will also contact that student, and if I am convinced that the suggested student is indeed shirking, I will give that student zero on that assignment.
- I do not accept any complaint from groupmates after the assignment is submitted.

-In case of group work, I will group students in alphabetical orders, and I will announce groups on Owl.

-If a student would like to change his or her group and join another group, that student needs to get into a mutual agreement with a student in the other group. Then, both students should email me about their group change. Instructor will not do the negotiations.

-Any group change must be done by September 27 by the end of class time. Changes after this date are not allowed.

Policy on Missed Classes

If you miss a class, read notes carefully and if you still have questions come and see me otherwise you will need to use a tutor.

Tentative Course Schedule***

A variety of sources will be used for the following topics in addition to the textbook

- Review on previous material
- Market structure and market power
- Entry, Exit, and Mergers & Acquisitions
- Price discrimination
- Product differentiation
- Advertising
- R&D and Patents

***** This course schedule is tentative. Some of the materials in this schedule might need more or less emphasis. To accommodate that need, this schedule might be updated as we continue through the term.**

Lecture Notes:

- I will post lecture slides (if any) before class on the course webpage for your convenience.
- These are the lecture notes that I base my lectures on, but of course I elaborate on them in the class. These notes are useful for review, but they are not meant to take the place of lectures. Students who rely on notes only, they traditionally do not do well on their exams in instructor's courses.
- All the materials covered in lectures either on the posted slides or not are in exams.
- Additionally, I solve practice questions during lectures. To get solutions, students need to be present in the lectures. I do not provide answer key to those questions separately. Please do not ask. Answers will be written by the instructor on the board only.
- **Students who are present during lectures and get the written answer on the board for practice questions are more than welcome to ask questions during office hours with regards to those solutions. However, if a student was absent, I do not solve the question for the absent student separately during office hours. Thus, absent students should not expect such a service from the instructor.**

Communication with the Instructor:

- Please only e-mail the instructor for administrative purposes and please only email to this address:
[**prof.mahdiyeh@gmail.com**](mailto:prof.mahdiyeh@gmail.com)
- When emailing the instructor, the **subject of the e-mail must contain ECON 3357**. Otherwise, the email will not be considered as I do not know exactly who the sender is.
- I will respond to emails within two business days.

- I answer your course related questions in person during class or office hours to help you understand better and avoid any miscommunications that may happen via email or phone.

Note on Recording Lectures, Taking Pictures, and Using Cell phones:

- Please respect class and your friends and turn off your cell phone during lectures.
- Instructor prohibits recording her lectures and taking pictures from the board or class.

Writing a Reference Letter:

- If you need a reference letter, I will need at least a two-week notice.

Conduct of Students in Lectures and Office Hours:

The registration at Huron University College implies that registered students have accepted the principals of respect, dignity, and well-being of others. Thus, students are expected to follow a proper behaviour. For more information about rules and regulations of Code of Student Conducts, you may consult with Code of Student Conduct Policy available at <https://www.uwo.ca/univsec/pdf/board/code.pdf>.

Moreover, students should behave in a professional manner that supports the learning environment of others during lectures or office hours. Laptops should be used for classroom purposes only so as not to disrupt the people sitting around. Students should arrive in sufficient time to be seated and ready for the start of the class and remain silent while the professor or another student is speaking. If a student is going to be late, or know that will have to leave class early, he or she should be courteous: sit in an aisle seat and enter and leave quietly.

Appendix to Course Outlines: Academic Policies & Regulations 2019/2020

Prerequisite and Antirequisite Information

Students are responsible for ensuring that they have successfully completed all course prerequisites and that they have not completed any course antirequisites. Unless you have either the requisites for this course or written special permission from your Dean to enrol in it without them, you may be removed from this course and it will be deleted from your record. If you enrol in this course despite having already taken an antirequisite you may be removed from this course and it will be deleted from your record. Removals for these reasons may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites or for having already taken the antirequisites.

Conduct of Students in Classes, Lectures, and Seminars

Membership in the community of Huron University College and Western University implies acceptance by every student of the principle of respect for the rights, responsibilities, dignity and well-being of others and a readiness to support an environment conducive to the intellectual and personal growth of all who study, work and live within it. Upon registration, students assume the responsibilities that such registration entails. The academic and social privileges granted to each student are conditional upon the fulfillment of these responsibilities.

In the classroom, students are expected to behave in a manner that supports the learning environment of others. Students can avoid any unnecessary disruption of the class by arriving in sufficient time to be seated and ready for the start of the class, by remaining silent while the professor is speaking or another student has the floor, and by taking care of personal needs prior to the start of class. If a student is late, or knows that he/she will have to leave class early, be courteous: sit in an aisle seat and enter and leave quietly.

Please see the Code of Student Conduct at:

www.huronuc.on.ca/sites/default/files/pdfs/Code%20of%20Student%20Conduct.pdf.

Technology

It is not appropriate to use technology (such as, but not limited to, laptops, cell phones) in the classroom for non-classroom activities. Such activity is disruptive and is distracting to other students and to the instructor, and can inhibit learning. Students are expected to respect the classroom environment and to refrain from inappropriate use of technology and other electronic devices in class.

Attendance Regulations for Examinations

A student is entitled to be examined in courses in which registration is maintained, subject to the following limitations:

- 1) A student may be debarred from writing the final examination for failure to maintain satisfactory academic standing throughout the year.
- 2) Any student who, in the opinion of the instructor, is absent too frequently from class or laboratory periods in any course will be reported to the Dean of the Faculty offering the course (after due warning has been given). On the recommendation of the Department concerned, and with the permission of the Dean of that Faculty, the student will be debarred from taking the regular examination in the course. The Dean of the Faculty offering the course will communicate that decision to the Dean of the Faculty of registration.

Short Absences: If you miss a class due to a minor illness or other problems, check your course outline for information regarding attendance requirements and make sure you are not missing a test or assignment. Cover any readings and arrange to borrow notes from a classmate. Contact the course instructor if you have any questions.

Extended Absences: If you have an extended absence, you should contact the course instructor and an Academic Advisor. Your course instructor and Academic Advisor can discuss ways for you to catch up on missed work and arrange academic accommodations, if appropriate and warranted.

It is important to note that the Academic Dean may refuse permission to write the final examination in a course if the student has failed to maintain satisfactory academic standing throughout the year or for too frequent absence from the class or laboratory.

Please see the policy on Attendance Regulations for Examinations here:
https://www.uwo.ca/univsec/pdf/academic_policies/exam/attendance.pdf.

Class Cancellations

In the event of a cancellation of class, every effort will be made to post that information on the OWL class site, is <https://owl.uwo.ca/portal> and on the Huron website at at www.huronuc.on.ca/about/accessibility

Academic Student Support Services

For advice on course selections, degree requirements, and for assistance with requests for medical accommodation, students should email an Academic Advisor in Huron's Student Support Services at huronsss@uwo.ca. An outline of the range of services offered is found on the Huron website at: www.huronuc.ca/student-life-campus/student-services/academic-advising.

Department Chairs and Program Directors and Coordinators are also able to answer questions about their individual programs. Their contact information can be found on the Huron website at: www.huronuc.ca/student-life-campus/art-social-science and at www.huronuc.ca/student-life-campus/management-and-organizational-studies

Adding / Dropping Courses

If you think that you are too far behind to catch up or that your work load is not manageable, you should consult your Academic Advisor. If you consider reducing your workload by dropping one or more courses, this must be done by the appropriate deadlines. Please refer to the Huron website, huronuc.ca/student-life-campus/student-services/academic-advising or review the list of official Sessional

Dates on the Academic Calendar, available here: <http://www.westerncalendar.uwo.ca/SessionalDates.cfm>

You should consult with the course instructor and the Academic Advisor who can help you consider alternatives to dropping one or more courses. Note that dropping a course may affect OSAP and/or Scholarship/Bursary eligibility.

Mental Health & Wellness Support at Huron and at Western

Students who are stressed, emotionally distressed or in mental health crisis please refer to: huronuc.ca/student-life-campus/student-services/health-wellness for a complete list of options about how to obtain help, or email Huronwellness@huron.uwo.ca to access your wellness staff directly. Additional supports for Health and Wellness may be found and accessed at Western through www.uwo.ca/uwocom/mentalhealth/.

Huron is committed to providing a safe, welcoming campus for students, staff and faculty by providing confidential assistance to those who have personal safety concerns. Providing a safe and welcoming campus for students, staff and faculty is one of Huron's top priorities.

The Student Emergency Response Team (SERT) provides medical response to 9-1-1 calls on Main, Brescia and Huron campuses which operates 24 hours a day, 7 days a week during the academic year. SERT is dispatched through the campus community Police Service (CCPS) to any medical emergency on campus at (519) 661-3300. For more information about SERT please visit: sert.uwo.ca/about-sert/about-sert/.

Statement on Academic Integrity

The International Centre for Academic Integrity defines academic integrity as "a commitment, even in the face of adversity, to five fundamental values: honesty, trust, fairness, respect, and responsibility. From these values flow principles of behaviour that enable academic communities to translate ideals to action." (CAI Fundamental Values Project, 1999).

A lack of academic integrity is indicated by such behaviours as the following:

- Cheating on tests;
- Fraudulent submissions online;
- Plagiarism in papers submitted (including failure to cite and piecing together unattributed sources);
- Unauthorized resubmission of course work to a different course;
- Helping someone else cheat;
- Unauthorized collaboration;
- Fabrication of results or sources;
- Purchasing work and representing it as one's own.

Academic Integrity: Importance and Impact

Being at university means engaging with a variety of communities in the pursuit and sharing of knowledge and understanding in ways that are clear, respectful, efficient, and productive. University communities have established norms of academic integrity to ensure responsible, honest, and ethical behavior in the academic work of the university, which is best done when sources of ideas are properly and fully acknowledged and when responsibility for ideas is fully and accurately represented.

In the academic sphere, unacknowledged use of another's work or ideas is not only an offence against the community of scholars and an obstacle to academic productivity. It may also be understood as fraud and may constitute an infringement of legal copyright.

A university is a place for fulfilling one's potential and challenging oneself, and this means rising to challenges rather than finding ways around them. The achievements in an individual's university studies can only be fairly evaluated quantitatively through true and honest representation of the actual learning done by the student. Equity in assessment for all students is ensured through fair representation of the efforts by each.

Acting with integrity at university constitutes a good set of practices for maintaining integrity in later life. Offences against academic integrity are therefore taken very seriously as part of the university's work in preparing students to serve, lead, and innovate in the world at large.

A university degree is a significant investment of an individual's, and the public's, time, energies, and resources in the future, and habits of academic integrity protect that investment by preserving the university's reputation and ensuring public confidence in higher education.

Students found guilty of plagiarism will suffer consequences ranging from a grade reduction to failure in the course to expulsion from the university. In addition, a formal letter documenting the offence will be filed in the Dean's Office, and this record of the offence will be retained in the Dean's Office for the duration of the student's academic career at Huron University College.

Statement on Academic Offences

Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, as per the Academic Calendar: http://www.westerncalendar.uwo.ca/PolicyPages.cfm?PolicyCategoryID=1&Command=showCategory&SelectedCalendar=Live&ArchiveID=#SubHeading_189 .

Turnitin.com

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for a detection of plagiarism. All papers submitted for such checking will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between Western University and Turnitin.com.

Computer-Marked Tests/exams

Computer-marked multiple-choice tests and/or exams may be subject to submission for similarity review by software that will check for unusual coincidences in answer patterns that may indicate cheating.

Clickers

Personal Response Systems ("clickers") may be used in some classes. If clickers are to be used in a class, it is the responsibility of the student to ensure that the device is activated and functional. Students must see their instructor if they have any concerns about whether the clicker is malfunctioning. Students must use only their own clicker. If clicker records are used to compute a portion of the course grade:

- the use of somebody else's clicker in class constitutes a scholastic offence
- the possession of a clicker belonging to another student will be interpreted as an attempt to commit a scholastic offence.

Policy on "Special" Accommodation

Students who require **special** accommodation for tests and/or other course components must make the appropriate arrangements with the Student Development Centre (SDC). Further details concerning policies and procedures may be found at: <http://www.sdc.uwo.ca/ssd/index.html> .

Policy on “Academic” Accommodation - Medical / Non-Medical Grounds

Students who require academic accommodation for tests and/or other course components must make the appropriate arrangements with the Student Development Centre (SDC). Further details concerning policies and procedures may be found at: <http://www.sdc.uwo.ca/ssd/index.html>.

(a) Medical Grounds for assignments worth 10% or more of final grade: Go directly to Huron Support Services/ Academic Advising, or email huronsss@uwo.ca .

University Senate policy, which can be found at, https://www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_medical.pdf , requires that all student requests for accommodation on medical grounds for assignments worth 10% or more of the final grade be made directly to the academic advising office of the home faculty (for Huron students, the “home faculty” is Huron), with supporting documentation in the form (minimally) of the Senate-approved Student Medical Certificate found at: https://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf .

The documentation is submitted in confidence and will not be shown to instructors. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been notified of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation.

The instructor will not normally deny accommodation where appropriate medical documentation is in place and where the duration it describes aligns with the due date(s) of assignment(s). Before denying a request for accommodation on medical grounds, the instructor will consult with the Dean. The instructor’s decision is appealable to the Dean.

(b) Accommodation on Medical Grounds for assignments worth less than 10% of final grade: Consult Instructor Directly

When seeking accommodation on medical grounds for assignments worth less than 10% of the final course grade, the student should contact the instructor directly. The student need only share broad outlines of the medical situation. The instructor **may** require the student to submit documentation to the academic advisors, in which case she or he will advise the student and inform the academic advisors to expect documentation. The instructor may **not** collect medical documentation. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been notified of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation.

The instructor will not normally deny accommodation where appropriate medical documentation is in place and where the duration it describes aligns with the due date(s) of assignment(s). Before denying a

request for accommodation on medical grounds, the instructor will consult with the Dean. The instructor's decision is appealable to the Dean.

(c) Non-Medical Grounds: Consult your Instructor directly.

Where the grounds for seeking accommodation are not medical, the student should contact the instructor directly. Late penalties may apply at the discretion of the instructor. Apart from the exception noted below, academic advisors will not be involved in the process of accommodation for non-medical reasons.

Where a student seeks accommodation on non-medical grounds where confidentiality is a concern, the student should approach an academic advisor with any documentation available. The advisors will contact the instructor after the student's request is received, and will outline the severity and duration of the challenge without breaching confidence. The student will be informed that the instructor has been notified that significant circumstances are affecting or have affected the student's ability to complete work, and the student will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. Before denying a request for accommodation where documentation has been submitted to an academic advisor, the instructor will consult with the Dean. The instructor's decision is appealable to the Dean.

Requests for Academic Consideration Using the Self-Reported Absence Form

The full Policy on Academic Consideration for student Absences – Undergraduate Students in First Entry Programs is available at:

https://www.uwo.ca/univsec/pdf/academic_policies/appeals/Academic_Consideration_for_absences.pdf .

Students who experience an unexpected illness or injury or an extenuating circumstance (48 hours or less) that is sufficiently severe to temporarily render them unable to meet academic requirements (e.g., attending lectures or labs, writing tests or midterm exams, completing and submitting assignments, participating in presentations) should self-declare using the online Self-Reported Absence portal. This option should be used in situations where the student expects to resume academic responsibilities within 48 hours or less.

The following conditions are in place for self-reporting of medical or extenuating circumstances:

- a.** students will be allowed **a maximum of two self-reported absences** between September and April and one self-reported absence between May and August;
- b.** any absences in excess of the number designated in clause a above, regardless of duration, will require students to present a **Student Medical Certificate (SMC)**, signed by a licensed medical or mental health practitioner, detailing the duration and severity of illness, or appropriate documentation supporting extenuating circumstances to the Academic Counselling unit in their Faculty of registration no later than two business days after the date specified for resuming responsibilities. Please see section 4 below for more details.
- c.** The duration of the excused absence will be for a maximum of 48 hours from the time the Self-Reported Absence form is completed through the online portal, or from 8:30 am the following morning if the form is submitted after 4:30 pm;
- d.** The duration of the excused absence will terminate prior to the end of the 48 hour period should the student undertake significant academic responsibilities (write a test, submit a paper)

during that time;

e. The duration of an excused absence will terminate at 8:30 am on the day following the last day of classes each semester regardless of how many days of absence have elapsed;

f. Self-reported absences will not be allowed for scheduled final examinations; for midterm examinations scheduled during the December examination period; or for final lab examinations scheduled during the final week of term;

g. Self-reporting **may not be used** for assessments (e.g. midterm exams, tests, reports, presentations, or essays) worth more than 30% of any given course.

h. students must be in touch with their instructors **no later than 24 hours after the end of the period covered by the Self-Reported Absence form**, to clarify how they will be expected to fulfil the academic expectations they may have missed during the absence.

Important Dates and Directory at Huron and Western

For a current and up-to-date list of important dates and campus directories, please visit:

- Huron – Important Dates: <https://huronuc.ca/important-dates-and-deadlines>
- Western – Academic Calendar & Sessional Dates: <http://www.westerncalendar.uwo.ca/SessionalDates.cfm>
- Huron Directory – Faculty, Staff and Administration: <https://huronuc.ca/index.php/contact/contact-directory>
- Western Directory – Faculty, Staff and Administration: <https://www.uwo.ca/directory.html>