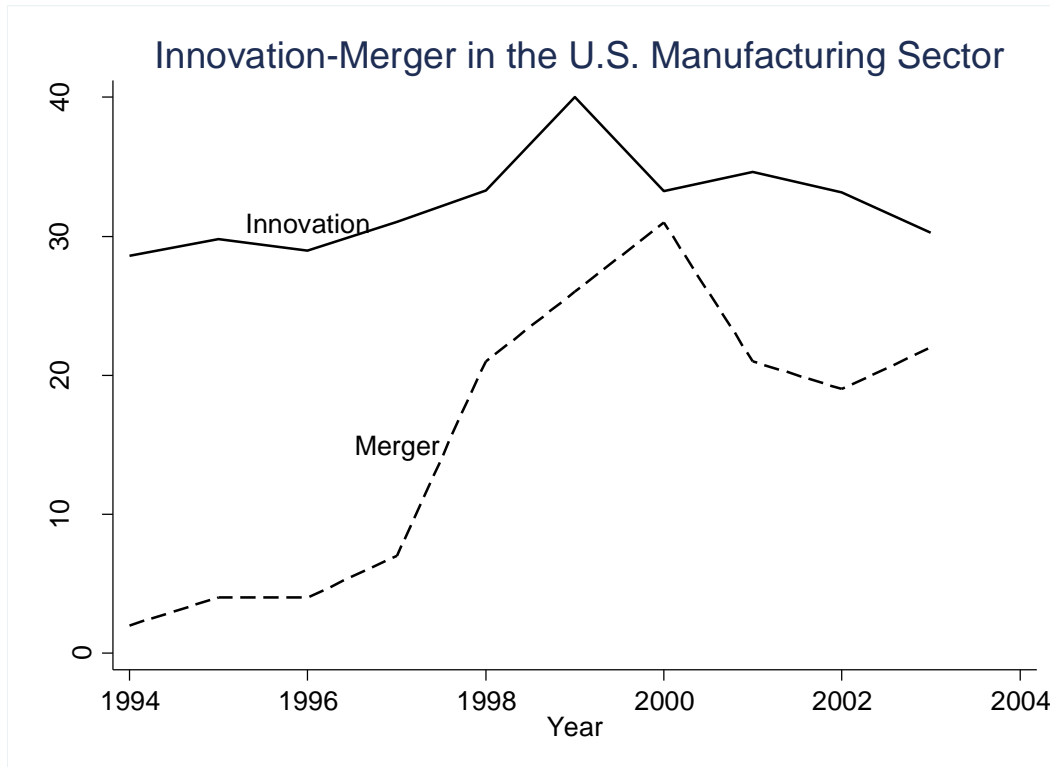


**Huron University College
Department of Economics
Economics 3357A: Industrial Economics
Fall 2018
Classroom: W103
Time: Fridays 11:30am to 2:30pm**



Instructor: Dr. Mahdiyeh Entezarkheir

Office: V122

E-Mail: prof.mahdiyeh@gmail.com

Phone: 519-438-7224 ext217

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

This course aims to familiarize students with the following interesting questions as time permits. 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? How can we measure them? Why do firms invest in R&D? What is the role of patents in innovative activities? These are some of the interesting questions which I hope to address during lectures.

In a simple word, 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.

Industrial Economics is an introductory course in the field of industrial organization and provides students with a foundation for further study in this area.

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 term paper. 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 9**, during class]: 30%
- Group research proposal and annotated bibliography [Due on **October 19**, 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 3 meetings on Nov 2, Nov 9, and Nov 23 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 might 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/>) on **November 28**, Location and time will be announced once decided by CURL (20%)

-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 9 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, the grade of the missed test will be prorated to other tasks of the course.

-No make-up tests will be provided for missed midterm exams. 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, the grade of the missed test will be prorated 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.

-Writing services: Ms. Amanda Penney from writing services will have a presentation from 11:30 to 12:15 on Sept 14 to have an overview of writing services.

-*Research proposal and Annotated Bibliography* are each 10% of the mark and both are due on Oct 19 right in the beginning of the class. Students should follow the guideline on how to write and hand in the proposal and annotated bibliography posted on Owl to get the full mark. Each of the proposal and annotated bibliography should be **no more than two pages, typed, and stapled**. For the annotated bibliography part, Ms. Colleen Burgess from Huron library will have a one hour lecture on **Sept 21** from 11:30 to 12:30 during class time and a two hour lecture on **Sept 28** from 12:30 to 2:30. At the end of each of these classes, she will conduct an assessment which will be counted toward the 10% mark of the annotated bibliography. Moreover, attendance in her lectures on these days are mandatory. Being absent from each class warrants loosing 2 marks.

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 by Ryan Rabie from Huron's library from 11:30 to 12:30 during the class time on **Oct 26**. He will explain how to prepare a poster. The attendance in this session is mandatory. Attendance is mandatory. Absence warrants losing 5 marks.

-In case of a group work, 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.

-I will group students in alphabetical order 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. The instructor will not do the negotiations.

-Any group change must be done by September 28. 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
- 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 24 hours during business hours.
- I prefer to answer your course related questions in person to help you understand better and avoid any miscommunication via email or phone. So please use office hours. I also welcome as many questions as possible during class time.

Note on Recording Lectures, Cell phones, and Laptops:

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

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.



The Appendix to Course Outlines is posted on the OWL course site.