

The University of Missouri - Columbia  
Economics 4355/7355, *Industrial Organization & Competitive Strategy*

Fall 2019

Professor Mandy

>> PLEASE READ THIS ENTIRE SYLLABUS<<

- I. **Prerequisites.** The course description in myZou for Economics 4355/7355 requires that students have Economics 4351 or 3251 (Intermediate Microeconomics) before enrolling (or equivalent at another school). You must have working knowledge of intermediate microeconomics, including ability to work through problems using differential calculus (which is a prerequisite for Economics 4351/3251).
- II. **Class Meetings.** Mondays and Wednesdays 9:00 - 10:15 am in 114 Arts & Science Building from August 19 through December 4 except for Monday September 2 (Labor Day) and the week of November 25 and 27 (Thanksgiving Recess).
- III. **Learning Resources.** The required textbook is *Industrial Organization* by Pepall, Richards and Norman (fifth edition, 2014). This book has practice problems scattered throughout the chapters, with solutions in the back of the book, and end-of-chapter problems. We will utilize both for practice and graded homework. We will also use Canvas for distribution of course materials.
- IV. **Evaluation.** There are four exams, each of which counts 15% of the semester grade. Although the fourth exam will be administered during final exam week, that exam will not be cumulative. The remaining 40% of the course grade will comprise assigned problems (30%) and attendance (10%). Please note that **THERE ARE NO MAKEUPS** for the exams. In the extraordinary event that a missed test is absolutely unavoidable, you must notify me at the earliest possible date and documentation will be required before any alternative arrangements are considered. Similarly, late homework assignments will not be accepted without timely documentation that a late assignment is absolutely unavoidable. Plus/minus grading will be used in this class.
- V. **Office Hours and Communication.** My office hours are 2:00 - 3:00 pm Mondays and Thursdays in 228 Professional Building; phone 573-882-1763. Please email for an appointment at another time to [MandyD@missouri.edu](mailto:MandyD@missouri.edu). I strongly prefer that you communicate using this email address rather than the email facility in Canvas, phone or hallway conversations. The grader for this class is Fangda Wang ([fw48n@mail.missouri.edu](mailto:fw48n@mail.missouri.edu)). Mr. Wang is not a TA; his only responsibility is grading, and therefore you should contact him only regarding questions about why a particular assignment was scored in a particular way. Questions about course content or logistics should be directed to me. Email is a great tool but is so easy that it is frequently abused. When communicating via email, please adhere to the following standards:

- a. Use only your MU email account. Email sent from other accounts (i.e., Gmail, Mediacom, etc.) just looks like spam to us and we usually do not even open it. You will likely not receive a reply if you send us email from a non-MU account.
- b. Do not send us emails in the style used for texting. By this I mean use proper English with correct capitalization and punctuation, and refrain from abbreviations and acronyms.
- c. Think before sending an email. Could you answer your question on your own with a little effort? For example, is your question already fully addressed in the syllabus or other materials distributed? Is the email in the same tone you would use when talking to us face-to-face?

VI. **MU Policies and Expectations.** All of the university policies regarding academic integrity, acceptable use, copyright, classroom recordings (executive order 38), educational rights and privacy (FERPA), intellectual pluralism, nondiscrimination, Title IX, and disabilities are in force for this course. **You must review these policies by selecting "Support & Policies" in the left-side menu of your Canvas homepage for the course, scrolling down to the section on MU Policies & Expectations, and then selecting each item in the list. In particular, use of any information other than what is in your head during an exam in this course, and any attempt to convey information about an exam to someone other than the course instructor or TA, will be considered a breach of the academic integrity policies and can result in expulsion from the university. Mobile phones and all other electronics must be off and stowed in a backpack or other bag (NOT in your pockets!!) during exams.** Students may make audio or video recordings of course activity in this class. However, the redistribution of audio or video recordings of statements or comments from the course to individuals who are not students in the course is prohibited without my express permission and the express permission of any students who are recorded.

VII. **Course Schedule** (subject to revision as the semester proceeds).

Week Date(s)

1. August 19 - 21. Chapter 2: Review of Perfect Competition & Monopoly.
2. August 26. Chapter 1: What is Industrial Organization?  
August 28. Chapter 3: Measurement of Market Structure & Power.
3. September 4. Chapter 4: Cost & Other Determinants of Market Structure.
4. September 9 - 11. Continuation of Chapter 4.
5. **September 16. First Exam.**  
September 18. Chapter 5: Group Price Discrimination.
6. September 23. Chapter 6: Perfect and Menu Price Discrimination.  
September 25. Chapter 7: Product Differentiation.
7. September 30. Continuation of Chapter 7.

- October 2. Chapter 8: Bundling & Tied Sales.
8. October 7. Continuation of Chapter 8.
- October 9. Second Exam.**
9. October 14. Chapter 9: Nash Equilibrium & Quantity Competition.  
October 16. Chapter 10: Price Competition.
10. October 21. Chapter 11: Sequential Competition & Credible Threats.  
October 23. Chapters 12 - 13. Predation, Limit Pricing & Bundling.
11. October 28. Continuation of Chapters 12 - 13.  
October 30. Chapter 14: Repeated Interaction & Collusion.
12. November 4. Continuation of Chapter 14.
- November 6. Third Exam.**
13. November 11 - 13. Chapter 15: Horizontal Mergers.
14. November 18 - 20. Chapter 16: Vertical Mergers.
15. December 2. Chapter 17: Vertical Price Restraints.  
December 4. Chapter 18: Non-Price Vertical Restraints.

**7:30 - 9:30 am Friday, December 13: Fourth Exam**