

**ECON 4340/6460 Syllabus\***  
**Industrial Organization, [SEMESTER/ACADEMIC YEAR]**  
**DAY(S)/TIME/LOCATIONS**

**Instructor**

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Office hours: TBD  
Old Civil Engineering #207

**Teaching assistant**

Name: TBD  
Email: TBD

**Overview**

**Description**

This is an advanced undergraduate/master's course in industrial organization. We will study the behavior of firms and the structure of markets. The first goal of this course is to apply microeconomic theory to understand when and how firms exercise market power and its impact on market efficiency and consumer welfare. The second goal is to apply these insights to analyze antitrust cases.

**Pre-requisites**

The prerequisite for this course is one of the following: ECON 2100 minimum grade of D, ECON 2106 minimum grade of D, or ECON 2101 minimum grade of D.

**Core IMPACTS**

This is a Core IMPACTS course that is part of the Social Sciences area. Core IMPACTS refers to the core curriculum, which provides students with essential knowledge in foundational academic areas. This course will help students master course content, and support students' broad academic and career goals.

This course should direct students toward a broad Orienting Question: How do I understand human experiences and connections? Completion of this course should enable students to meet the following Learning Outcome: Students will effectively analyze the complexity of human behavior, and how historical, economic, political, social, or geographic relationships develop, persist, or change. Course content, activities and exercises in this course should help students develop the following Career-Ready Competencies: intercultural competence, perspective-taking, and persuasion.

**Learning outcomes**

Learning outcomes for this course are an understanding of how firms acquire and maintain market power, how firms exercise market power, the implications of market power for economic efficiency and social welfare, and when and how a government can intervene to improve market outcomes.

## Course text

The course textbook is Industrial Organization: Contemporary Theory and Empirical Applications by L. Pepall, D. Richards, and G. Norman (PRN), Wiley, 5<sup>th</sup> Edition. Other recommended but not required textbooks include The Antitrust Revolution: Economics, Competition, and Policy by John Kwoka and Lawrence White, 6<sup>th</sup> edition, Oxford University Press and Introduction to Industrial Organization by Luis Cabral, 2<sup>nd</sup> Edition, MIT Press. All other assigned readings will be uploaded to Canvas.

## Course mode

The instructional mode for this course is fully in-person. Course materials including lecture notes, problem sets, problem set solutions, and readings will be available electronically on Canvas. There will be no recordings of lecture.

## Evaluation

### Graded components

Assignment	Percent of final grade
Exams	50
Quizzes	25
Antitrust presentation/essay	15
Problem sets	10

### Exams

There will be three exams administered during class on February 16, March 16, and May 4. Exams are not comprehensive. All exams (including exam 3, which is administered during the final exam period) will last 75 minutes. Exams will be comprised of both multiple choice and short answer questions. The two highest exam scores will each make up 45 percent of the student's overall exam score while the lowest exam score will make up 10 percent.

### Problem sets

There will be eight problem sets assigned. All problem sets will be turned in on Canvas. Problem sets are due by 11:59pm on the days listed in the schedule below. No late problem sets will be accepted. Problem sets should be turned in as a single .pdf file. Answers can either be written in the word processing software of your choice and saved as a .pdf file or written on paper and then scanned and saved as a single .pdf file.

### Quizzes

Quizzes will be regularly administered during class. Failure to complete a quiz due to a (non-athletics) absence from class will result in a zero. There will be no makeup quizzes.

If at least four-fifths of the class fills out the Course Instructor Opinion Survey (CIOS) by 11:59pm on Sunday, April 26, then each student's lowest quiz grade will be dropped so that final grades are computed as

$$\begin{aligned} \text{Final grade} = & 0.5 \left( 0.45 (\text{Average of two highest exam grades}) + 0.1 (\text{Lowest exam grade}) \right) \\ & + 0.25 \left( \text{Average of all but lowest quiz grades} \right) + 0.15 \left( \text{Presentation grade} \right) \\ & + 0.10 \left( \text{Average of eight problem set grades} \right). \end{aligned}$$

## **Presentation/essay**

Econ 4340 enrollees will be divided into groups of approximately four students each. Each group will give a 15 minute presentation on an assigned topic related to antitrust. A separate document available on Canvas will include group assignments and presentation dates as well as detail the criteria by which presentations will be evaluated. Relevant primary sources will also be made available on Canvas.

ECON 6460 enrollees will write an essay pending FTC or DOJ antitrust case and write a 1,500-word judicial decision as if they were the presiding judge. Students must defend their ruling (whether for plaintiff, defendant, or partial) using real empirical evidence from court filings and public databases, and include one exhibit (table, figure, etc.) that supports their argument. A separate document available on Canvas will include due dates as well as detail the criteria by which essays will be evaluated.

## **ECON 6460 enrollees**

Assignments and assessments may include elements for completion by ECON 6460 enrollees only. ECON 6460 enrollees will be evaluated on their completion of the entire assessment, while ECON 4340 enrollees will not be evaluated on assessment components specified for ECON 6460 enrollees.

## **Grading disputes**

If you would like to dispute a grade that you received, you may initiate a grade appeal within one week of grading. All grading disputes should be initiated via email addressed to both the instructor and teaching assistant. Appeals must contain reference to specific elements of the assignment in question. Appeals may result in upward or downward revision of the original grade.

## **Grading scale**

Your final numerical grade will be assigned as a letter grade according to the scale below.

Letter grade	Numerical grade
A	90.00-100%
B	80.00-89.99%
C	70.00-79.99%
D	60.00-69.99%
F	0-59.99%

## **Policies**

### **Academic integrity**

Georgia Tech aims to cultivate a community based on trust, academic integrity, and honor. Students are expected to act according to the highest ethical standards. For information on Georgia Tech's Academic Honor Code, please visit <http://www.catalog.gatech.edu/policies/honor-code/> or <http://www.catalog.gatech.edu/rules/18/>. Any student suspected of cheating or plagiarizing on a quiz, exam, or assignment will be reported to the Office of Student Integrity, who will investigate the incident and identify the appropriate penalty for violations.

### **Communication**

All email messages must originate from your Georgia Tech-sponsored email account. Please begin your email with a professional salutation, be specific in your requests, and wait at least 48 hours for a reply. I reserve the right to not

respond to e-mails that I deem inappropriate. Please begin your email subject line with “ECON 4340” (e.g. “ECON 4340: Question about problem set 1”). Please email me directly rather than through the Canvas messaging system.

### **Accommodations for students with disabilities**

If you are a student with learning needs that require special accommodation, contact the Office of Disability Services at (404)894-2563 or <http://disabilityservices.gatech.edu/>, as soon as possible, to make an appointment to discuss your special needs and to obtain an accommodations letter. Please also e-mail me as soon as possible in order to set up a time to discuss your learning needs.

### **Recording classroom activities**

In order to preserve class integrity, student privacy, and a safe environment to express opinions, recording of our real-time classes in any format (e.g. using digital, tape, or audio devices) is not allowed. This policy can be waived for students with accommodations upon explicit recommendation from the Office of Disability Services. The instructor may record real-time classes to accommodate students in particular cases (e.g. learning-needs or time-zone accommodation), but these recordings will not be shared with students who simply miss a meeting. Students must receive the written consent of the instructor to sell or otherwise commercialize class notes, lecture slides, lecture videos, and materials such as homework assignments and answers. Students may not store or distribute class notes and materials in homework repositories or test banks under any circumstances. Students may not share or distribute lecture videos or lecture notes outside of this class.

### **Athletics absences**

If you are a student athlete, you must obtain statements of approved absence from the Office of the Registrar (<https://registrar.gatech.edu/>) at least one week in advance of your planned absence.

### **Student-faculty expectations agreement**

At Georgia Tech, we believe that it is important to strive for an atmosphere of mutual respect, acknowledgement, and responsibility between faculty members and the student body. See <http://www.catalog.gatech.edu/rules/22/> for an articulation of some basic expectation that you can have of me and that I have of you. In the end, simple respect for knowledge, hard work, and cordial interactions will help build the environment we seek.

### **List of topics**

1. Introduction & review
2. Monopoly
3. Price discrimination
4. Nonlinear pricing
5. Homogeneous goods oligopoly
6. Differentiated goods oligopoly
7. Information economics
8. Collusion
9. Entry deterrence
10. Horizontal mergers
11. Vertical mergers
12. Innovation