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Class Location and Time: Morgan Hall 217 | 11:00am – 11:50am MWF

Office Hours: Morgan Hall 207 | 1:00pm – 3:00pm Wednesday and by appointment

Email Hours: I respond to emails from 8:00am – 5:00pm, Monday – Friday.

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Course Description and Objectives

Industrial organization is an application of microeconomic theory to firms and industries. We will study firms and how they make decisions to increase their profitability. In this course you will begin to understand the different strategies that firms use to profit and what the welfare implications of these decisions are. The first section of the course will focus on how





a firm in isolation makes decisions to maximize their profits. The second section explores models which allow firms to strategically interact with one another. The final section covers how firms organize themselves, through tools such as mergers & acquisitions and innovation to drive profitability. The implications of firm decisions will be discussed in every section.

By the end of the course, our shared goal is that everyone will meet the following learning objectives:

1. Have a working understanding of economic models of firm behavior.
2. Engage with the literature in industrial organization.
3. Be able to apply these economic theories to current policy issues and in your future career.
4. Critically compare differing viewpoints on topics within industrial organization.

These learning objectives will fulfill the College of Wooster's learning goals for History & Social Sciences (HSS) and Quantitative Literacy (QL)

HSS

1. Describe and explain human social relations using theory and/or evidence.
2. Discuss the advantages and limitations of disciplinary methods.
3. Analyze complex problems or institutions.

QL

1. Interpretation: Explain information presented in mathematical forms - e.g., equations, graphs, diagrams, tables, words.
2. Representation: Convert relevant information into various mathematical forms - e.g., equations, graphs, diagrams, tables, words.
3. Calculation/Execution: Perform computations either by hand or in software clearly, concisely, and comprehensively to solve a problem.
4. Application/Analysis: Ability to make judgements and draw appropriate conclusions based on the quantitative analysis of data, while recognizing the limits of this analysis.

Materials

Textbook

Industrial Organization: Contemporary Theory and Empirical Applications by Lynne Pepall, Daniel Richards, and George Norman (ISBN 9781118250303). You do not need any online access codes. The book is available on our Moodle site starting on the first day of class via the "Inclusive Access" program which automatically provides you with an eBook directly through Moodle. If you do not opt-out from purchasing the book via "Inclusive Access" by January 23, 2026, \$55.91 + tax will be charged to your College of Wooster account and you will have access to the online book. You will receive separate email instructions on how to opt-out from @VerbaSoftware.com. If you have questions about the inclusive access program or would like to arrange for a physical book through the inclusive access program, please email bookstore@wooster.edu.



Other Supplies

Calculators may optionally be used for exams. You will be provided with the department's calculators if you do not bring one to a quiz or exam.

Grading

Category	Number	% Each	% Total
Problem Sets	8	3	24
Exams	3	10	30
Paper Discussions	5	1	5
Final Paper	1	35	35
Engagement	-	-	6

Final grades will follow the traditional +/- scale: A = 93-100, A- = 90-92.99, B+ = 87-89.99, B = 83-86.99, B- = 80-82.99, C+ = 77-79.99, C = 73-76.99, C- = 70-72.99, D = 60-69.99, F = 59.99 and below. Final grades will be rounded up to the nearest whole integer based on standard rounding rules so that a 79.50% would be rounded to a 80% but a 79.49% would not be rounded up to an 80%.

Problem Sets

Your lowest problem set score will be dropped.

Exams

There will be three exams during the semester, your lowest exam grade will be dropped. If you have to miss a scheduled exam, for any reason, I do not offer a make-up exams.

Paper Discussions

We will devote time to a detailed discussion of five academic papers throughout the course of the semester. You will be asked to engage in a close reading of the paper before class, including a collaborative pre-class discussion through the Perusall platform in Moodle. I will lead a discussion about the paper in class, and you will be expected to answer any questions I ask and to participate in the class discussion. Your grade for each paper discussion will be based on your demonstrated understanding of the paper and your ability to communicate about the paper. Given the size of the class, it is understood that not everyone may be able to contribute to every paper discussion, but you should aim to contribute to most in-class discussions. If there are discussions where you do not contribute in-class, your grade will be determined on the basis of your engagement in Perusall.

Final Paper



In lieu of a final exam, you will be writing a final paper. My goal is to grow your ability to independently and critically think about the material in the course and apply it to real-world situations. This assignment will also serve to prepare you for Independent Study. Throughout the course of the semester, we will have three “Paper Workshops,” dedicated to the improvement of your paper. More details will be provided, but broadly you will be working to answer a policy-relevant or research question using economic models.

Engagement Grade

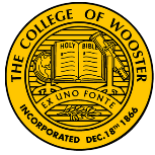
Good course participation is primarily characterized by three qualities: attendance, contribution, and focus. Regarding attendance, you will have two unexcused absences, no questions asked, no penalty. Any excess absences will result in a 0.25 percentage point reduction in your course engagement grade. Similarly, it is important that your attendance is prompt. You will have two unexcused late arrivals. Excess late arrivals to class will result in a 0.10 percentage point reduction. The second characteristic of good course engagement is contribution. You should aim to contribute at least once per week to the course discussion, be an active participant in any group, in-class activities, and should come prepared to discuss any assigned readings from the literature. Finally, is the characteristic of focus. Any use of an electronic device (see “Course Policies” for more details) that violates the electronic device policy will result in a 0.10 percentage point reduction in your course engagement grade. Further, distracting behavior (such as talking with your neighbor while others are addressing the class) can result in a 0.10 percentage point reduction in your course engagement grade.

Course Schedule

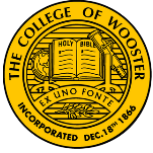
This course is split into five main sections

1. Fundamentals of Market Structure: Costs, Perfect Competition, and Monopoly – Measuring Market Structure & Power
2. Monopoly Behavior: Price Discrimination – Product Variety Under Monopoly
3. Strategic Interaction: Oligopoly with Homogeneous Goods – Predation w/ Imperfect Information
4. Mergers & Acquisitions: Horizontal Mergers – Vertical Mergers
5. Innovation: Research & Development – Patents & Patent Policy

Week	Day	Date	Topic	Reading	Due
1	Wednesday	Jan. 14	History of Thought & Policy	Ch. 1	
	Friday	Jan. 16	Costs, Perfect Competition, and Monopoly	Ch. 2/4	
2	Monday	Jan. 19	MLK Jr. Day		
	Wednesday	Jan. 21	Costs, Perfect Competition, and Monopoly	Ch. 2/4	
	Friday	Jan. 23	Costs, Perfect Competition, and Monopoly	Ch. 2/4	



3	Monday	Jan. 26	Costs, Perfect Competition, and Monopoly	Ch. 2/4	
	Wednesday	Jan. 28	Measuring Market Structure & Power	Ch. 3; Autor et al. 2020	PS 1
	Friday	Jan. 30	Measuring Market Structure & Power	Ch. 3; Autor et al. 2020	
4	Monday	Feb. 2	Measuring Market Structure & Power	Ch. 3; De Loecker et al. 2020	PS 2
	Wednesday	Feb. 4	Price Discrimination	Ch. 5/6	
	Friday	Feb. 6	Price Discrimination	Ch. 5/6	
5	Monday	Feb. 9	Price Discrimination	Ch. 5/6; Dube and Misra 2023	
	Wednesday	Feb. 11	Price Discrimination	Ch. 5/6	
	Friday	Feb. 13	Oligopoly with Homogenous Goods	Ch. 9/10.1	
6	Monday	Feb. 16	Oligopoly with Homogenous Goods	Ch. 9/10.1	PS 3
	Wednesday	Feb. 18	Exam 1		Exam 1
	Friday	Feb. 20	Oligopoly with Differentiated Goods	Ch. 10.2	
7	Monday	Feb. 23	Oligopoly with Differentiated Goods	Ch. 10.2	
	Wednesday	Feb. 25	Oligopoly with Differentiated Goods	Ch. 10.2	
	Friday	Feb. 27	Oligopoly Game		
8	Monday	Mar. 2	Dynamic Games	Ch. 11	PS 4
	Wednesday	Mar. 4	Dynamic Games	Ch. 11	
	Friday	Mar. 6	Predation w/ Imperfect Information	Ch. 13	
9	Monday	Mar. 9	Horizontal Mergers	Ch. 15	
	Wednesday	Mar. 11	Horizontal Mergers	Ch. 15	
	Friday	Mar. 13	Predation w/ Imperfect Information	Ch. 13	
	Monday	Mar. 16	Spring Break		
	Wednesday	Mar. 18			
	Friday	Mar. 20			
	Monday	Mar. 23			
	Wednesday	Mar. 25			
	Friday	Mar. 27			
10	Monday	Mar. 30	Vertical Mergers	Ch. 16	PS 5
	Wednesday	Apr. 1	Exam 2		Exam 2
	Friday	Apr. 3	Horizontal Mergers	Ch. 15; Cunningham et al. 2021	



11	Monday	Apr. 6	Horizontal Mergers	Ch. 15; Cunningham et al. 2021	
	Wednesday	Apr. 8	Paper Workshop 1		Paper Proposal
	Friday	Apr. 10	Vertical Mergers	Ch. 16	
12	Monday	Apr. 13	Vertical Mergers	Ch. 16	PS 6
	Wednesday	Apr. 15	Vertical Mergers	Ch. 16	
	Friday	Apr. 17	Federal Reserve Field Trip		
13	Monday	Apr. 20	Paper Workshop 2		First Submission of Paper
	Wednesday	Apr. 22	Vertical Mergers	Ch. 16	
	Friday	Apr. 24	Research & Development	Ch. 20	PS 7
14	Monday	Apr. 27	Research & Development	Ch. 20	
	Wednesday	Apr. 29	Exam 3		Exam 3
	Friday	May 1	I.S. Symposium		
15	Monday	May 4	Paper Workshop 3		PS 8
Monday, May 11 at 12:00pm			Final Paper Due		

*PS = Problem Set

Course Policies

Late Assignment Token



There may be unexpected events that occur during the semester, or you just may forget about an assignment's due date. For this reason, every student starts the course with one late assignment token. This may be used at any time to extend the due date by one class meeting. For example, if a problem set is due on a Monday, you could use your token to extend the due date to Wednesday. You do not need to provide any justification when using your token, simply email me

before the new due date to let me know you will be using your token. A late assignment token cannot be used for exams and cannot be used to "redo" work, it can only be used to postpone the due date of incomplete work.

Late Assignments

Unless otherwise communicated, assignments will be due at the beginning of class. Every day an assignment is late, a 3-percentage point penalty will be assessed with the maximum penalty being a 40-percentage point penalty. For example, if you turn in an assignment two days late, then you would have a 6-percentage point penalty assessed.



Artificial Intelligence (AI) Usage

You are permitted to use AI to promote your learning and critical thinking, but it should not replace your own thinking. For example, asking AI to solve a problem set question or asking AI to write a section of your final paper would both be illegitimate uses of AI, but asking AI to explain the concept of the “second degree price discrimination” in order to help solidify your understanding of a key course concept is permitted. I encourage you to think of me, your professor, as your primary resource for questions about course material.

Electronic Device Policy

The course is designed to be taken without the need for an electronic device in-class. As such, I do not allow the use of any electronic device (i.e., laptop, phone, tablet) during class unless you are granted an exception from me. In the case where the use of an electronic device would enhance your learning experience, I am generally happy to discuss an exception to the policy along with how I can accommodate your learning and the learning of others in the class.

Academic Honesty

Academic honesty is a key value in this class and in the College. Violations of academic honesty as discussed in [The Scot's Key](#) include “turning in another person’s work as your own, copying from any source without proper citation, violating expectations for a group project, submitting an assignment produced for a course to a second course without the authorization of all the instructors, and dishonesty in connection with your academic work.” Please refer to [The Scot's Key](#) for more details on the Code of Academic Integrity.

Course Withdrawal

Please visit the registrar’s website for information on [academic deadlines](#) and for the [relevant online forms](#).

Rescheduling Exams

I do not reschedule exams that occur throughout the semester. Students who wish to reschedule a final exam must submit an [electronic petition](#) to the Dean for Curriculum and Academic Engagement at least two weeks in advance of the final exam. The student must confer with the instructor before submitting a petition, and the instructor should indicate to the Dean if they support the petition. Normally, such petitions are granted only for health reasons.

Support Services

As your instructor, I am your first line of support for all things related to this course. Yet, the College of Wooster offers many wonderful services that can help you in this course and more generally during your time at Wooster. I have compiled a list of some of these resources, which I encourage you to utilize.



Mental Well-Being

Being a student can feel overwhelming at times. To help with this, I have designed my course using [trauma-informed teaching principles](#). In times of struggle you are encouraged to seek support at The Longbrake Student Wellness Center which offers [counseling services](#) that provide a safe, confidential, nonjudgmental space where students can explore a wide variety of issues and concerns.

Academic Resource Center (Accessibility, Tutoring, and more)



Students with diagnosed disabilities are encouraged to contact the [Academic Resource Center](#) (ARC) to secure accommodations. Please speak with me if you will be arranging accommodations with the ARC so that I can know how to be support you. The ARC also offers support in the areas of time management techniques, class preparation tips, test taking strategies, English language learning, and peer-tutoring. You can schedule an appointment [here](#).

The Writing Center

The [Writing Center](#) is the place for you to go if you are looking for feedback, help, or someone to talk about a writing project you are working on. Writing Center consultants can help with everything from brainstorming and outlining to major revisions and minor edits.

The Math Center

If you feel that your math skills are unpracticed, the [Math Center](#) offers drop-in support to help you brush up your math skills.

The STEM Zone and STEM Success Initiative



The [STEM Zone](#) is a collaborative learning community where any student taking an introductory STEM course can work in groups, independently, and seek support from professors and upper-level students (the Zone interns).

***Disclaimer:** Course policies, grading, and the schedule of the course can be adjusted at my discretion. The syllabus is simply meant to provide you a general outline of what you can expect from the course and what I expect of you.