

**Professor:** Colin Davison, Ph.D. | [cdavison@wooster.edu](mailto:cdavison@wooster.edu)

**Class Location and Time:** Morgan Hall 201 | 9:00am-9:50am MWF

**Drop-In Hours:** Morgan Hall 207 | 8:00am-9:00am Tuesday, 1:00pm-2:00pm Wednesday, 3:00pm-4:00pm Thursday

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

## Table of Contents

COURSE DESCRIPTION AND OBJECTIVES.....	1
GRADING .....	2
COURSE SCHEDULE.....	3
COURSE POLICIES .....	5
SUPPORT SERVICES.....	6

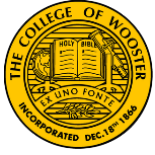
## Course Description and Objectives

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, along with the role of network effects and innovation in driving profitability. Generally, topics include market structure, pricing practices, advertising, antitrust, and public policy. 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 solid understanding of economic models that elucidate how firms strategically seek more profit.
2. Be able to apply this economic theory to current policy issues and in your future career.
3. 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.

### Textbook

*Industrial Organization: Contemporary Theory and Empirical Applications* by Lynne Pepall, Daniel Richards, and George Norman (5th edition/2014). The book is available on our Moodle site 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 Friday, January 19<sup>th</sup>, you will have lifetime access to the textbook and \$87.70 + tax will be charged to your College of Wooster billing account in February. You will receive separate email instructions on how to opt-out if you would like. If you have questions about the inclusive access program, please email Kevin Leitner ([kleitner@wooster.edu](mailto:kleitner@wooster.edu)) with me on 'cc. If you prefer a physical copy, the textbook is available for purchase at retailers such as [Amazon](#).

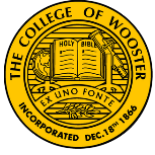
### Other Supplies

Calculators may optionally be used during exams. Also, please setup your [free subscription](#) to the New York Times, provided by the College of Wooster.

Prerequisites: ECON-20100: Intermediate Microeconomic Theory

### **Grading**

Category	Number	% Each	% Total
Problem Sets	9	3	27
Podcast Reflection	1	3	3



Exams	3	12	36
Final Paper	1	30	30
Engagement	-	-	4

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.

### Engagement Grade

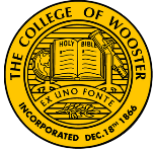
Your engagement in the class is crucial for your understanding of the material and therefore comprises 4% of your overall grade. To receive your engagement points, you must do several things. First, attend approximately 85% of the classes over the course of the semester. While I do not take strict attendance every class meeting, I will reach out to you if I notice repeated absences. If you need to miss a class for any reason you do not need to notify me. Simply ensure that you are attending at least 85% of the classes. If you attend less than 75% of our classes, the maximum grade you will be able to receive is a “D” per the College’s policy. If you know that you will miss many consecutive classes for a valid reason (such as severe illness or a family emergency) please let me know. Second, comply with the electronic device policy (see below). Every time I observe you not complying with the electronic device policy I will deduct 0.1 percentage points from your engagement grade. Completing the NameCoach activity will comprise 1 percentage point of your engagement grade and will increase our ability to know each other’s names and pronounce them correctly.

### Final Paper

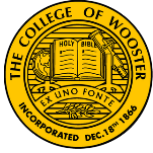
In lieu of a final exam, you will be writing a final paper. My goal is to grow your ability to independently and critically think about the material in the course and apply it to real-world situations. This assignment will also serve to prepare you for Independent Study. Throughout the course of the semester, we will have three “Paper Workshops,” dedicated to the improvement of your paper. More details will be provided, but broadly you will be choosing an economic model from class and applying it to a real-world situation.

### **Course Schedule**

Week	Day	Date	Topic	Reading	Due
1	Wednesday	Jan. 10	History of Thought & Policy	Ch. 1	
	Friday	Jan. 12	Costs, Perfect Competition, and Monopoly	Ch. 2/4	
2	Monday	Jan. 15	MLK Holiday (No Class)		
	Wednesday	Jan. 17	Costs, Perfect Competition, and Monopoly	Ch. 2/4	PR 1



	Friday	Jan. 19	Costs, Perfect Competition, and Monopoly	Ch. 2/4	
3	Monday	Jan. 22	Costs, Perfect Competition, and Monopoly	Ch. 2/4	
	Wednesday	Jan. 24	Costs, Perfect Competition, and Monopoly	Ch. 2/4	
	Friday	Jan. 26	Measuring Market Structure & Power	Ch. 3	PS 1
4	Monday	Jan. 29	Price Discrimination	Ch. 5/6	
	Wednesday	Jan. 31	Price Discrimination	Ch. 5/6	
	Friday	Feb. 2	Price Discrimination	Ch. 5/6	PS 2
5	Monday	Feb. 5	Oligopoly with Homogenous Goods	Ch. 9/10.1	
	Wednesday	Feb. 7	Oligopoly with Homogenous Goods	Ch. 9/10.1	
	Friday	Feb. 9	Oligopoly with Differentiated Goods	Ch. 10.2	PS 3
6	Monday	Feb. 12	Dynamic Games	Ch. 11	
	Wednesday	Feb. 14	Dynamic Games	Ch. 11	
	Friday	Feb. 16	Exam 1		
7	Monday	Feb. 19	Entry Deterrence	Ch. 12	
	Wednesday	Feb. 21	Entry Deterrence	Ch. 12	
	Friday	Feb. 23	Entry Deterrence	Ch. 12	PS 4
8	Monday	Feb. 26	Predation w/ Imperfect Information	Ch. 13	
	Wednesday	Feb. 28	Predation w/ Imperfect Information	Ch. 13	
	Friday	Mar. 1	Horizontal Mergers	Ch. 15	PS 5
9	Monday	Mar. 4	Horizontal Mergers	Ch. 15	
	Wednesday	Mar. 6	Horizontal Mergers	Ch. 15	
	Friday	Mar. 8	Exam 2		
10	Monday	Mar. 11	Spring Break		
	Wednesday	Mar. 13			
	Friday	Mar. 15			
11	Monday	Mar. 18	Spring Break		
	Wednesday	Mar. 20			
	Friday	Mar. 22			
12	Monday	Mar. 25	Vertical Mergers	Ch. 16	
	Wednesday	Mar. 27	Vertical Mergers	Ch. 16	
	Friday	Mar. 29	Vertical Mergers	Ch. 16	PS 6
13	Monday	Apr. 1	Vertical Mergers	Ch. 16	
	Wednesday	Apr. 3	Paper Workshop 1		Project Proposal
	Friday	Apr. 5	Research & Development	Ch. 20	PS 7
14	Monday	Apr. 8	Research & Development	Ch. 20	
	Wednesday	Apr. 10	Research & Development	Ch. 20	
	Friday	Apr. 12	Patents & Patent Policy	Ch. 21	



15	Monday	Apr. 15	Paper Workshop 2		First Submission of Paper
	Wednesday	Apr. 17	Patents & Patent Policy	Ch. 21	
	Friday	Apr. 19	Patents & Patent Policy	Ch. 21	PS 8
16	Monday	Apr. 22	Patents & Patent Policy	Ch. 21	
	Wednesday	Apr. 24	Oligopoly Game		
	Friday	Apr. 26	I.S Symposium (No Class)		PS 9
	Monday	Apr. 29	Exam 3		
Tuesday, May 7 <sup>th</sup> at 10:30am			Final Paper Due		Final Submission of Paper

\*PS = Problem Set | PR = Podcast Reflection

## Course Policies

### Late Assignment Tokens



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 two late assignment tokens. These may be used at any time and extend the due date by one class meeting. For example, if a problem set is due on a Monday, you could use one token to extend the due date to Wednesday. You do not need to provide any justification when using your tokens, simply email me

before the new due date to let me know you will be using one or two of your tokens. A late assignment tokens cannot be used for exams and cannot be used to “redo” work, they can only be used to postpone the due date of incomplete work.

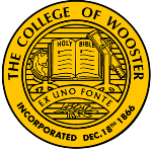
### Late Assignments

Unless otherwise communicated, assignments will be due at the beginning of class. Any late assignment that is not covered by a late assignment token will have a 25% penalty taken.

### 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 during class (i.e., laptop, phone, tablet). If use of an electronic device would enhance your learning experience, please contact me and I am 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.

In this course, students may use artificial intelligence (AI)-powered programs (e.g., ChatGPT or DALL-E) to help you with some assignments. These AI tools can facilitate learning and growth if used as complements to traditional research and writing methods, rather than as a replacement for them. When you use these tools, it is your responsibility as a scholar to make sure you are clearly communicating the AI involvement in your work. Please make sure to use phrases such as "[your name] via DALL-E 2" (for images) or "This paper was generated with the help of GPT-3" (for essays). Please review the instructions in each assignment for more details on specifically how to show your work.

### Rescheduling Exams

If you need to miss an exam for any reason, the weight of that exam will be placed on the final exam. 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.

### Course Withdrawal

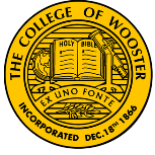
Please visit the registrar's website for information on [academic deadlines](#) and for the [relevant online forms](#).

## **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.