

# Industrial Organization Syllabus

## Department of Economics

ECON 3319 Fall 2024

*Dalhousie University acknowledges that we are in Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq People and pays respect to the Indigenous knowledges held by the Mi'kmaq People, and to the wisdom of their Elders past and present. The Mi'kmaq People signed Peace and Friendship Treaties with the Crown, and section 35 of the Constitution Act, 1982 recognizes and affirms Aboriginal and Treaty rights. We are all Treaty people.*

*Dalhousie University also acknowledges the histories, contributions, and legacies of African Nova Scotians, who have been here for over 400 years.*

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### COURSE INFORMATION

**Instructor:** Álvaro Parra **Email:** Parra@dal.ca

**Lectures:** M-W 8:35-9:55am @ Sir James Dunn building, room 101

**Office Hours:** F: 1:20 - 2:20 pm @ 6206 University Avenue, A23

**Course Delivery:** In person, lectures not recorded

**Course Prerequisites:**

ECON 2200.03 (or ECON 2210.03 or ECON 2220.03) with minimum grade of C

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### COURSE DESCRIPTION

Industrial organization is the branch of microeconomics that studies the functioning of product and service markets with few competitors. The presence of a small number of market participants generates situations of strategic interdependence and possibly market power. Economists have studied market power for many years because of how it may affect market efficiency.

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### COURSE OBJECTIVES

1. **Market Structure:** Analyze different market structures such as perfect competition, monopoly, monopsony, and oligopoly. Examine how these structures affect pricing, output, and overall market efficiency.
2. **Firm Behavior:** Study strategic behavior in different contexts such as pricing, product differentiation, and market entry and exit. Understand the impact of these strategies on market dynamics and consumer welfare.

3. **Competition Policy:** Explore the principles and goals of competition policy and antitrust laws. Assess the role of government in regulating and promoting competition to prevent monopolistic practices and foster a fair market environment.
  4. **Market Failures and Remedies:** Identify types of market failures and evaluate the effectiveness of different policy tools and regulations in addressing these failures.
  5. **Apply Economic Theory to Policy:** Utilize economic theories and critical thinking skills to analyze real-world case studies and to propose policy solutions and regulatory frameworks based on theoretical insights.
  6. **Quantitative and Qualitative Analysis:** Develop skills in both quantitative and qualitative analysis to assess market performance and policy impacts.
  7. **Ethical and Social Implications:** Discuss the ethical considerations and social impacts of industrial practices and competition policies. Consider the balance between business interests, consumer protection, and societal welfare.
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## COURSE MATERIALS

The main learning resource will be classroom discussion of the slides.

The course does not have a required textbook. The following textbooks are suggested to supplement class material:

- Jeffrey R. Church and Roger Ware, *Industrial Organization: A Strategic Approach*  
Free download available: [http://works.bepress.com/jeffrey\\_church/23/](http://works.bepress.com/jeffrey_church/23/)
  - Massimo Motta, *Competition Policy: Theory and Practice*, Cambridge University Press.
  - Jean Tirole, *The Theory of Industrial Organization*, MIT Press.
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## ASSESSMENT

Your development in the course will be assessed in the following ways:

Participation: 10% (attend and be an active contributor to class discussion)  
Assignments: 25% (bi-weekly(ish), take home)  
Midterm: 25% (during class time, October 21<sup>st</sup>)  
Final Exam: 40% (location TBD)

Conversion of numerical grades to final letter grades follows the [Dalhousie Grade Scale](#)

A+ (90-100)	B+ (77-79)	C+ (65-69)	D (50-54)
A (85-89)	B (73-76)	C (60-64)	F (0-49)
A- (80-84)	B- (70-72)	C- (55-59)	

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## COURSE POLICIES ON MISSED OR LATE WORK AND ACADEMIC INTEGRITY

*Assignment Policy:* All assignments are to be turned in at the beginning of the class in which they are due. Late assignments receive no credit. Assignments can be turned in early at your instructor's office. The assignment portion of your grade will be the average of all your assignment scores with the lowest assignment grade dropped. Students can cooperate in their assignments, but are expected to hand in individual and original work (not just a copy of the homework of the student you just "cooperated" with). The use of Generative AI and Large Language Models is prohibited beyond checking for grammar and spell check.

*Exam Policy:* In the event that a student misses the midterm, the points from the missed exam will be placed on the final. There are no make-up exams. The final will then be scored out of 65% rather than 40%.

The following materials are allowed for use during the exam: graphing calculator, accounting calculator or four-function calculator. There are to be no books, papers other than the exam itself, cell-phones or other items that connect to the internet. Students found to be using unapproved items are in violation of the Academic Integrity policy of the University and will be subject to disciplinary action.

*Laptop Policy:* Students are strongly discouraged to use laptops during class. Tablets are ok!  
**Phones are strictly prohibited on the classroom.**

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**VERY TENTATIVE AND ROUGH COURSE SCHEDULE**  
 (SUBJECT TO ADJUSTMENTS AND MODIFICATIONS)

	Monday	Wednesday	
Week 1	Sep 2: Labor Day (No class)	Introduction (Sep 4)	
Week 2	Competition (Sep 9)	Monopoly and Monopsony (Sep 11)	
Week 3	Monopoly and Monopsony II (Sep 16)	Price Discrimination (Sep 18)	
Week 4	Price Discrimination II (Sep 23)	Game Theory (Sep 25)	
Week 5	Sep 30: National Day for Truth and Reconciliation (No class)	Oligopoly I (Oct 2)	
Week 6	Oligopoly II (Oct 7)	Oligopoly III (Oct 9)	
Week 7	Oct 14: Thanksgiving Day (No class)	Oligopoly IV (Oct 16)	
Week 8	Oct 21 - Midterm	Mergers I (Oct 23)	
Week 9	Mergers II (Oct 28)	Entry (Oct 30)	
Week 10	Entry (Nov 4)	Foreclosure (Nov 6)	
Week 11	Nov 11: Remembrance Day (No class)	Nov 13: Fall Break (No class)	
Week 12	Foreclosure II (Nov 21)	Innovation Economics (Nov 23)	
Week 13	Innovation Economics II (Nov 28)	Patents (Nov 30)	
Week 14	Patents (Dec 2)	<b>December 3: General IO topics</b>	Review (Dec 7)

## University Policies and Statements

### **Recognition of Mi'kmaq Territory**

Dalhousie University would like to acknowledge that the University is on Traditional Mi'kmaq Territory. The Elders in Residence program provides students with access to First Nations elders for guidance, counsel, and support. Visit or e-mail the Indigenous Student Centre at 1321 Edward St or [elders@dal.ca](mailto:elders@dal.ca). Additional information regarding the Indigenous Student Centre can be found at: [https://www.dal.ca/campus\\_life/communities/indigenous.html](https://www.dal.ca/campus_life/communities/indigenous.html)

### **Internationalization**

At Dalhousie, 'thinking and acting globally' enhances the quality and impact of education, supporting learning that is "interdisciplinary, cross-cultural, global in reach, and orientated toward solving problems that extend across national borders." Additional internationalization information can be found at: <https://www.dal.ca/about-dal/internationalization.html>

### **Academic Integrity**

At Dalhousie University, we are guided in all our work by the values of academic integrity: honesty, trust, fairness, responsibility, and respect. As a student, you are required to demonstrate these values in all the work you do. The University provides policies and procedures that every member of the university community is required to follow to ensure academic integrity. Additional academic integrity information can be found at: [https://www.dal.ca/dept/university\\_secretariat/academic-integrity.html](https://www.dal.ca/dept/university_secretariat/academic-integrity.html)

### **Accessibility**

The Student Accessibility Centre is Dalhousie's centre of expertise for matters related to student accessibility and accommodation. If there are aspects of the design, instruction, and/or experiences within this course (online or in-person) that result in barriers to your inclusion, please contact the Student Accessibility Centre ([https://www.dal.ca/campus\\_life/academic-support/accessibility.html](https://www.dal.ca/campus_life/academic-support/accessibility.html)) for all courses offered by Dalhousie with the exception of Truro. For courses offered by the Faculty of Agriculture, please contact the Student Success Centre in Truro (<https://www.dal.ca/about-dal/agricultural-campus/student-success-centre.html>)

## **Conduct in the Classroom – Culture of Respect**

Substantial and constructive dialogue on challenging issues is an important part of academic inquiry and exchange. It requires willingness to listen and tolerance of opposing points of view. Consideration of individual differences and alternative viewpoints is required of all class members, towards each other, towards instructors, and towards guest speakers. While expressions of differing perspectives are welcome and encouraged, the words and language used should remain within acceptable bounds of civility and respect.

## **Diversity and Inclusion – Culture of Respect**

Every person at Dalhousie has a right to be respected and safe. We believe inclusiveness is fundamental to education. We stand for equality. Dalhousie is strengthened in our diversity. We are a respectful and inclusive community. We are committed to being a place where everyone feels welcome and supported, which is why our Strategic Direction prioritizes fostering a culture of diversity and inclusiveness (Strategic Priority 5.2). Additional diversity and inclusion information can be found at: <http://www.dal.ca/cultureofrespect.html>

## **Student Code of Conduct**

Everyone at Dalhousie is expected to treat others with dignity and respect. The Code of Student Conduct allows Dalhousie to take disciplinary action if students don't follow this community expectation. When appropriate, violations of the code can be resolved in a reasonable and informal manner - perhaps through a restorative justice process. If an informal resolution can't be reached, or would be inappropriate, procedures exist for formal dispute resolution. The full Code of Student Conduct can be found at:

[https://www.dal.ca/dept/university\\_secretariat/policies/student-life/code-of-student-conduct.html](https://www.dal.ca/dept/university_secretariat/policies/student-life/code-of-student-conduct.html)

## **Fair Dealing Policy**

The Dalhousie University Fair Dealing Policy provides guidance for the limited use of copyright protected material without the risk of infringement and without having to seek the permission of copyright owners. It is intended to provide a balance between the rights of creators and the rights of users at Dalhousie. Additional information regarding the Fair Dealing Policy can be found at: [https://www.dal.ca/dept/university\\_secretariat/policies/academic/fair-dealing-policy-.html](https://www.dal.ca/dept/university_secretariat/policies/academic/fair-dealing-policy-.html)

## **Originality Checking Software**

The course instructor may use Dalhousie's approved originality checking software and Google to check the originality of any work submitted for credit, in accordance with the Student Submission of Assignments and Use of Originality Checking Software Policy. Students are free, without penalty of grade, to choose an alternative method of attesting to the authenticity of their work and must inform the instructor no later than the last day to add/drop classes of their intent to choose an alternate method. Additional information regarding Originality Checking Software can be found at:

[https://www.dal.ca/dept/university\\_secretariat/policies/academic/student-submission-of-assignments-and-use-of-originality-checking-software-policy-.html](https://www.dal.ca/dept/university_secretariat/policies/academic/student-submission-of-assignments-and-use-of-originality-checking-software-policy-.html)

## **Student Use of Course Materials**

Course materials are designed for use as part of this course at Dalhousie University and are the property of the instructor unless otherwise stated. Third party copyrighted materials (such as books, journal articles, music, videos, etc.) have either been licensed for use in this course or fall under an exception or limitation in Canadian Copyright law. Copying this course material for distribution (e.g. uploading to a commercial third-party website) may lead to a violation of Copyright law.