

Detailed course outline

PART I. Demand and pricing

- September 2 Introduction and overview Reading: Cabral, Introduction to Industrial Organization, 2nd edition, Ch. 1
- 2. September 9 Basic pricing Reading: Cabral 3.2 (slide deck 3.2)
- 3. September 14 Price discrimination by indicators Reading: Cabral 6 (slide deck 6.1)
- 4. September 16 Price discrimination by self-selection Reading: Cabral 6 (slide deck 6.2)
- 5. September 21 Price discrimination: applications Reading: Cabral 6 (slide deck 6.2) Mini-case: Monsanto's Roundup
- 6. September 23 Demand estimation: examples Reading: Cabral 2.2–2.3 (slide deck 2.3) Mini-case: Wednesdays at Cinemex
- 7. September 28 Pricing in practice: examples Mini-case: Merck and Aids

PART II. Static oligopoly analysis

8. September 30

Introduction to game theory Reading: Cabral 7 (slide deck 7.1) Due at the beginning of class: Problem set 1

- 9. October 5 Introduction to game theory (cont) Reading: Cabral 7 (slide deck 7.1)
- 10. October 7 Oligopoly price competition Reading: Cabral 8 (slide deck 8.1)

October 12: no class

- 11. October 13 (Tuesday) Oligopoly output competition Reading: Cabral 8 (slide deck 8.2)
- 12. October 14 Oligopoly competition: applications Reading: Cabral 8 (slide deck 8.3)
- 13. October 19 Practice problems
- 14. October 21 ReviewDue at the beginning of class: Problem set 2
- 15. October 26 First test

PART III. Dynamic oligopoly analysis

- 16. October 28 Repeated games Reading: Cabral 7.3 (slide deck 7.3)
- 17. November 2 Repeated interaction and collusion Reading: Cabral 9 (slide deck 9.1)

18. November 4 Horizontal agreements Reading: Cabral 9 (slide deck 9.2) Mini-case: GE and Westinghouse

19. November 9 Practice problems

PART IV. Entry and exit

- 20. November 11 Entry costs, market structure, and welfare Reading: Cabral 10 (slide deck 10.1)
- 21. November 16 Entry costs, market structure, and welfare (cont) Reading: Cabral 10 (slide deck 10.2)
- 22. November 18 Mergers and merger policy Reading: Cabral 11 (slide decks 11.1, 11.2) Mini-case: GE and Honeywell
- 23. November 23 Sequential games and commitment Reading: Cabral 7.2 (slide deck 7.2)

November 25: no class

- 24. November 30

 Market foreclosure
 Reading: Cabral 12 (slide deck 12.1)
 Mini-case: Mars and Unilever
 Due at the beginning of class: Problem set 3
- 25. December 2 Market foreclosure (cont) Reading: Cabral 12 (slide deck 12.1) Mini-case: Spirit Airlines
- 26. December 7 Practice problems
- 27. December 9 Review
- 28. December 14 Second test