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Office Hours: T R 9:45AM - 10:45AM, or by appointment

Course Website: <http://moodle.loyola.edu/>

Lecture notes, paper prompts, and other course materials will be posted on the course website.

Course Overview:

Industrial Organization is the field of economics that studies how firms behave, how markets are structured, and how they interact with each other. The government must seek to appease the opposing needs of firms, who are seeking to maximize profits, and consumers, who are seeking to maximize their utility. Often times the actions that are in the best interest of firms will negatively affect consumers, and vice versa. It is in these cases that the government should step in and regulate competition and/or the market. This course discusses issues that arise with imperfect competition and the government's role in regulating industries. A major theme of this course will be focused on looking at the issues' past, present, and future. This course will chronicle the history of antitrust and regulation in order to understand how we got to the situations we face today. From there, we can focus on where we are headed in the future. My goal is to ensure that you will be able to proficiently discuss and critically analyze current antitrust and regulation issues as economic majors and minors from a top university.

Required Textbook:

W. Kip Viscusi, John M. Vernon, and Joseph E. Harrington, Jr.

Economics of Regulation and Antitrust (4th Edition), The MIT Press (2005)

ISBN: 9780262220750

Note: The textbook is available as a free e-book through the Loyola Library:

<http://site.ebrary.com.ezp.lndlibrary.org/lib/loyoland/detail.action?docID=10225297>

Note: Supplemental reading material will be made available on the course website.

Course Prerequisites:

Although Microeconomic Principles (EC 102) is the only required pre-requisite, taking Intermediate Microeconomics (EC 302) prior to taking this class is recommended. Students with an interest in strategic behavior of firms and the government's role in economic activity will find this course especially interesting. Students are expected to come to class regularly and be prepared for class discussions.

Grading:

Grades for this course will be assigned as follows:

Paper #1 (Antitrust Case): 20% (due date: February 17)

Paper #2 (Merger Analysis): 20% (due date: March 31)

Final Exam: 25% (April 30)

Group Presentation: 15%

Current Events: 10%

Attendance: 10%

Papers:

There will be two eight-page papers assigned during the quarter. The first paper will have you research an antitrust case. The second paper will have you analyze a recent merger. In both cases, you will have to provide background information, describe the legal issues surrounding the case/merger, and cite a related article from a reputable news source (see below for details on acceptable news sources). There will be a peer review session two weeks before each paper is due. You will be required to solicit peer edits on your rough draft from three classmates, as well as peer edit their rough drafts. You must turn in your paper portfolio (your final draft plus the three peer edited rough drafts) in class on the specified due date.

Final Exam:

The final exam will cover material from the lectures, student presentations, as well as any relevant material that arises through class discussion. The essay-based exam will test your ability to critically analyze the issues presented in class, as well as portray an understanding of the theory inherent in the issues. It is your responsibility to plan around scheduled exam times. Travel plans are *not* an emergency.

Group Presentation:

You will make a presentation on the antitrust and/or regulation issues affecting an industry in groups of two people. You are not allowed to choose an industry already discussed in class (telecommunications, airlines, or financial industries). Possible case studies include the health care, automobile, and music industries. You must email me the names of your group partner (one email per group) by Friday, January 30. Your presentation topic (industry and antitrust/regulation issue) must be approved by me by Friday, February 20. I will allocate an entire lecture period (Tuesday, March 21) as a group presentation planning session. I will allow multiple groups to present on the same industry; however, I reserve the right to deny a valid presentation topic if there are already a few groups presenting on that topic. Therefore, it is in your best interest to organize your group and inform me of your desired presentation topic as soon as possible. If you cannot find a partner and/or presentation topic, then one will be assigned for you.

Your grade on the group presentation will be composed of two parts: the ability to work together and personal effort/organization/content.

- Ability to Work Together: The presentation should flow well and be reasonably integrated. Points will be deducted from all group members if it is clear that one or more students have not participated fully or the group is not well organized.
- Personal Effort/Organization/Content: Each group will be given 15 minutes to present. After each presentation, 5 minutes will be allocated for questions from myself and/or fellow classmates.

Current Events:

There will be five current events assignments, in which you will write a two-page (Times New Roman, 12 pt font, double spaced) current event on two news articles from a reputable news source (see below for acceptable news sources) that pertain to the course material. You will summarize the two articles, specify how they relate to the course material, and provide some insightful commentary on the issue. The most important thing is that you demonstrate a grasp of the concepts discussed in the course. Be sure to include a Works Cited section at the end of your current event with a link to your news articles. You cannot use a news article related to the Question of the Day.

Attendance:

At the end of each lecture, you will fill out a survey that provides immediate feedback on that day's lecture. You are allowed up to 2 unexcused absences and still get a perfect attendance grade. You will get attendance credit for excused absences conditional on providing relevant documentation. However, it is imperative for you to attend the peer review sessions (February 3 and March 17), as well as the group presentation planning session (March 31).

Acceptable News Sources:

The following is a list of acceptable news sources that you can use to find articles for your papers and current event assignments. Any news article from a source not on this list can be used only with prior approval from me:

- Associated Press
- Baltimore Sun
- Bloomberg Businessweek
- The Economist
- New York Times
- Reuters
- Wall Street Journal
- Washington Post

Grading Scale:

Generally, final letter grades will follow the typical structure of: 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+ (67-69.99), D (60-66.99), and F (below 60). However, this breakdown is not set in stone and can vary according to the distribution of raw grades.

Students with Disabilities:

To request academic accommodations due to a disability, please contact Disability Support Services (DSS), Newman Towers West 107, at DSS@loyola.edu or call (410) 617-2750 ext. 2062. If you already registered with DSS and requested an accommodations letter (and DSS has sent the letter to your professors via email), please schedule a brief meeting to discuss the accommodations you might need in this class.

Academic Misconduct:

All students of the College are expected to understand the meaning of the Loyola College Honor Code. The Loyola Honor Code states:

“All students of the Loyola Community have been equally entrusted by their peers to conduct themselves honestly on all academic assignments.

The students of this University understand that having collective and individual responsibility for the ethical welfare of their peers exemplifies a commitment to the community. Students who submit materials that are the products of their own minds demonstrate respect for themselves and the community in which they study.”

Ignorance of the Code is not a valid reason for committing an act of academic dishonesty. The following constitute violations of the Code: cheating, stealing, lying, forgery, plagiarism, duplicate submission, and the failure to report a violation. Violations of the Honor Code will be handled by the Honor Council.

Tentative Schedule:

Date	Topic Covered	Assignment Due
Jan. 13	Introduction	
Jan. 15	Library Research Trip	
Jan. 20	Price Fixing/Collusion	
Jan. 22	Predatory Pricing	
Jan. 27	Price Discrimination	Current Event #1
Jan. 29	Exclusive Dealing	
Feb. 3	Peer Review (Paper #1)	Rough Draft (Paper #1)
Feb. 5	Tying/Bundling	
Feb. 10	Resale Price Maintenance	Current Event #2
Feb. 12	Exclusive Territories	
Feb. 17	Patents/R&D	Paper #1 due
Feb. 19	Horizontal Mergers	
Feb. 24	Vertical Mergers	Current Event #3
Feb. 26	Regulation Theory	
Mar. 3, 5	No Classes: Spring Break	
Mar. 10	Regulation: Airlines	
Mar. 12	Regulation: Telecommunications/Cable TV	
Mar. 17	Peer Review (Paper #2)	Rough Draft (Paper #2)
Mar. 19	Guest Lecture: Kevin Byrnes (Verizon)	
Mar. 24	Regulation: Credit Cards	Current Event #4
Mar. 26	Regulation: Banking	
Mar. 31	Group Presentation Planning Session	Paper #2
Apr. 2	No Class: Easter Break	
Apr. 7, 9, 14, 16, 21	Group Presentations	Current Event #5 (Apr 14)
Apr. 23	Review Session for Final Exam	
Apr. 30	FINAL EXAM (9:00 AM - 11:00 AM in Sellinger Hall 223)	