

Advanced Industrial Organization
CRN 11443/13508 - ECON 485 B/510
Pascal Courty
University of Victoria

September-December 2011

Tuesday-Friday: 10:00 – 11:20 in BEC 363

Office hours: Tu-Fr 11:30-12:20 in BEC 368 or email me at pcourty@uvic.ca

Webpage: <http://web.uvic.ca/~pcourty/IO-A11.htm>

Course Description: This course covers the fundamentals of the theory of industrial organization. It will be complemented by industry applications and discussions of competition policy cases. Topics covered include: 1. Market Power; 2. Product Differentiation and Advertising; 3. Pricing; 4. Behavioral IO; 5. Networks and Standards.

Course Objectives: You will learn how to use modern tools in industrial organization to analyze business strategies and frame policy issues. The course will cover formal models, empirical applications, and real-world case studies. Student will acquire a language and an ability to structure problems that is necessary to address practical questions related to firm strategies and market conduct as well as their implications to industrial and competition policy.

Evaluation: (a) Three problem sets that each includes the discussion of a seminal research paper (30%). (b) Reading commitment (10%). (c) Midterm exam (30%). (d) Essay on a current policy issue of firm/industry case study (30%). These assessments will be graded on a percentage scale, weighted as above into a numerical score that will be converted to a letter grade as follows:

90 - 100% = A+	85 - 89% = A	80 - 84% = A-
75 - 79% = B+	70 - 74% = B	65 - 69% = B-
60 - 64% = C+	55 - 59% = C	50 - 54% = D
0 - 49% = F	(No E grades will be assigned.)	

Course Policies: The course policies regarding academic integrity(plagiarism and cheating), attendance, grading, academic concessions, travel plans, students with a disability, and inclusivity and diversity, which may be found at:
http://web.uvic.ca/econ/undergraduate/course_policies.php

Textbooks and reading material

The course will follow closely the book: “Industrial Organization: Markets and Strategies” (2009) by Paul Belleflamme and Martin Peitz, Cambridge University Press, ISBN-13: 9780521681599.

You may also want to consult the following sources:

- Cabral, L.M. (2000): Introduction to Industrial Organization, Cambridge, MA: MIT Press. It is compact and easy to read introduction.

- Motta, M. (2003): Competition Policy: Theory and Practice, Cambridge, UK. This book covers most aspects of competition policy.
- Tirole, J. (1988): The Theory of Industrial Organization, Cambridge, MA: MIT Press. This book is a classic and more demanding book. Despite being 20 years old, it continues to be an excellent source.

Important Dates:

-Course midterm on October 4th.

-Due date for your essay is November 25th.

Problem Sets Calendar:

Pb Set	Handed –in	Due
1	September 20 th	September 26 ^h
2	October 11 th	October 17 th
3	November 1 st	November 7 th