

**San José State University  
Economics Department**

**Econ 121 Industrial Organization Fall 2019**

**Course and Contact Information**

Instructor:	Dr. Paul Lombardi
Office Location:	DMH 138
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Email:	paul.lombardi@sjsu.edu
Office Hours:	Thursdays 2:30-4:30pm in DMH 138 and by appointment
Class Days/Time:	TR 4:30-5:45pm
Classroom:	DMH 163
Prerequisites:	Econ 1B

**Class Resources**

Course materials such as syllabus, handouts, notes, assignment instructions, etc. can be found on Canvas Learning Management System course login website at <http://sjsu.instructure.com>.

**Course Description**

Microeconomic theory applied to pricing of products by seller having different market structures such as competition, imperfect competition, monopoly, public utility regulation or government pricing.

**Course Learning Outcomes (CLO)**

Upon successful completion of this course, students will be able to:

1. Differentiate between market structures
2. Identify examples of strategic behaviors by firms
3. Evaluate government regulations of markets

**Required Texts/Readings (Recommended but not required)**

**Textbook (Optional)**

1. Carlton, Dennis and Jeffery Perloff. *Modern Industrial Organization*, 4<sup>th</sup> ed. (Boston: Pearson, 2005). ISBN-13: 978-0321180230. You are responsible for the material covered in class only. However, the textbook can fill in gaps in your notes and provides a different explanation of the material.
2. Church, Jeffery and Roger Ware. *Industrial Organization: A Strategic Approach*. (Boston: McGraw-Hill, 2000). A pdf version can be found on the class' Canvas website. The book provides covers technical portions of the course and fill in gaps in your notes. The book is on the advance side and goes beyond the expectations for our class.

## Other Readings

I will assign supplementary readings through the course's Canvas website.

## Course Requirements and Assignments

SJSU classes are designed such that in order to be successful, it is expected that students will spend a minimum of forty-five hours for each unit of credit (normally three hours per unit per week), including preparing for class, participating in course activities, completing assignments, and so on. More details about student workload can be found in University Policy S12-3 at <http://www.sjsu.edu/senate/docs/S12-3.pdf>.

- There are four components to your grade: three exams (50%), quizzes/class activities (20%), a project (10%), and three homework assignments (20%).
- The exams will be a mix of short answer and multiple-choice questions. The first two shorter exams will be on **10/3 and 11/5**. The exams will focus on material covered since the previous exam and are worth 15% each. The final exam is on **December 11 between 2:45 and 5:00pm**. The final exam is comprehensive and worth 20%.
- There will be about 15 in class quizzes and activities. Only the 10 highest scores will count toward your final grade. The scores after the 10<sup>th</sup> quiz will be extra credit for a potential max of 2 points added to your overall final grade. **No makeup quizzes.**
- Students will make a five-minute presentation in class or write a short paper (i.e., about two pages). The projects will discuss the student's choice of the course material. The final project will be due during week 16. However, intermediate steps leading up to the final project will be due during the two weeks leading up to week 16.
- There will be three homework assignments. The assignments will be due the week before each of the exams: **9/24, 10/22, and 12/5**. I will drop the lowest score out of the three.

## Grading Information

Corresponding letter grades will be assigned as follows:

97-100% A+	87-89% B+	77-79% C+	67-69% D+	
93-96% A	83-86% B	73-76% C	63-66% D	
90-92% A-	80-82% B-	70-72% C-	60-62% D-	59-0% F

Assignments submitted one week late will have a grade deduction of 30 percent. No credit is provided for any later submissions. All written assignments must be turned in on paper; no email attachments. If you cannot be in class to turn in a written assignment, finish it early and arrange to have it delivered to m

## University Policies

Per University Policy S16-9, university-wide policy information relevant to all courses, such as academic integrity, accommodations, etc. will be available on Office of Graduate and Undergraduate Programs' [Syllabus Information web page](http://www.sjsu.edu/gup/syllabusinfo/) at <http://www.sjsu.edu/gup/syllabusinfo/>

## Dropping and Adding

Students are responsible for understanding the policies and procedures about add/drop, grade forgiveness, etc. Refer to the current semester's Catalog Policies section at <http://info.sjsu.edu/static/catalog/policies.html>.

Add/drop deadlines can be found on the current academic calendar web page at [http://www.sjsu.edu/provost/Academic\\_Calendars/](http://www.sjsu.edu/provost/Academic_Calendars/). The Late Drop Policy is available at

<http://www.sjsu.edu/aars/policies/latedrops/policy/>. Students should be aware of the current deadlines and penalties for dropping classes. Information about the latest changes and news is available at the Advising Hub at <http://www.sjsu.edu/advising/>.

### **Consent for Recording of Class and Public Sharing of Instructor Material**

University Policy S12-7, <http://www.sjsu.edu/senate/docs/S12-7.pdf>, requires students to obtain instructor's permission to record the course. "Common courtesy and professional behavior dictate that you notify someone when you are recording him/her. You must obtain the instructor's permission to make audio or video recordings in this class. Such permission allows the recordings to be used for your private, study purposes only. The recordings are the intellectual property of the instructor; you have not been given any rights to reproduce or distribute the material." "Course material developed by the instructor is the intellectual property of the instructor and cannot be shared publicly without his/her approval. You may not publicly share or upload instructor generated material for this course such as exam questions, lecture notes, or homework solutions without instructor consent."

### **Academic Integrity**

Your commitment as a student to learning is evidenced by your enrollment at San Jose State University. The University's Academic Integrity policy, located at <http://www.sjsu.edu/senate/S07-2.htm>, requires you to be honest in all your academic course work. Faculty members are required to report all infractions to the office of Student Conduct and Ethical Development. The Student Conduct and Ethical Development website is available at [http://www.sa.sjsu.edu/judicial\\_affairs/index.html](http://www.sa.sjsu.edu/judicial_affairs/index.html). Instances of academic dishonesty will not be tolerated. Cheating on exams or plagiarism (presenting the work of another as your own, or the use of another person's ideas without giving proper credit) will result in a failing grade and sanctions by the University. For this class, all assignments are to be completed by the individual student unless otherwise specified. If you would like to include your assignment or any material you have submitted, or plan to submit for another class, please note that SJSU's Academic Policy S07-2 requires approval of instructors.

### **Campus Policy in Compliance with the American Disabilities Act**

If you need course adaptations or accommodations because of a disability, or if you need to make special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. Presidential Directive 97-03 at [http://www.sjsu.edu/president/docs/directives/PD\\_1997-03.pdf](http://www.sjsu.edu/president/docs/directives/PD_1997-03.pdf) requires that students with disabilities requesting accommodations must register with the Accessible Education Center (AEC) at <http://www.sjsu.edu/aec> to establish a record of their disability

## **Industrial Organization, Econ 121, Fall 2019 Course Schedule**

*The following schedule is subject to change. If changes are needed, I will make announcements in class and through Canvas.*

### **Course Schedule**

<b>Week</b>	<b>Date</b>	<b>Holidays, Assignments, and Exams</b>
6	9/24/19	Homework 1
7	10/3/19	Exam 1
10	10/22/19	Homework 2
12	11/5/19	Exam 2

<b>Week</b>	<b>Date</b>	<b>Holidays, Assignments, and Exams</b>
15	11/28/19	Holiday
16	12/5/19	Homework 3
Final Exam	12/11/19	In DMH 163

## **Subject Schedule**

*We will spend a week or two on each of the following topics. Some subjects maybe skipped depending on time constraints. Changes will be announced in class and through Canvas.*

- Micro Foundations: Cost and Production Functions
- Perfectly Competitive Markets
- Monopolies
- Game Theory Primer
- Oligopoly markets:
  - Bertrand
  - Cournot
  - Stackelberg
  - Monopolistic Competition
- Product Differentiation and Advertising
- Collusion and Cartels
- Price Discrimination
- Mergers:
  - Vertical
  - Horizontal
- Barriers to Entry:
  - Entry Deterrence
  - Predatory Pricing
- Research and Development (Innovation)
- Networks
- Government Regulation
  - Rationales
  - Consequences