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|--------------|--|--|
| September 12 | B. Integration of economics and antitrust policy | “Economics in Antitrust Enforcement”; H. Petersen, “Markets Are Good”; and Barnes, D., “Antitrust, the Rule of Reason, and Democracy,” <u>Review of Industrial Organization</u> (March 1999), pp. 115-122. |
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### III. Market Structure

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|--------------|--|--|
| September 17 | A. Market Concentration                    | W&J, Ch.4 (90-102; 113-119).   |
| September 19 |  | A&B, Ch. 3 (cigarette Industry);<br><b>Discussion paper due.</b>   |
| September 24 | B. Barriers to Entry                       | W&J, Ch.5 (pp. 126-132 and 137-159).   |
| September 26 |  | A&B, Ch. 5 (automobile Industry);<br><b>Discussion paper due.</b>  |
| October 1    | C. Product Differentiation and advertising | W&J, Ch. 12 (except pp. 359-361).  |
| October 3    |  | Rudin, Max, “Beer and America”, <u>American Heritage</u> (June/July 2002), pp.28-38; and A&B, Ch. 4 (beer industry);<br><b>Discussion paper due.</b> |

### IV. Market Conduct

|            |  |   |
|------------|--|---|
|            | A. Oligopoly behavior:<br><i>Traditional</i> analysis                              |   |
| October 8  | A1. Early development and price leadership   | W&J, Ch. 7 (pp. 183-193; 195-196; 204-218; 221-223).        |
| October 10 | A2. Pricing to deter entry   | W&J, Ch. 10 (pp.278-294; (291-293); and Ch.18 (pp.562-569). |
|            | A3. Non-price strategies to deter entry. (Discussion in class of format for exam.) | W&J, Ch. 11.  |

October 15            **Review**

October 17            **Midterm Exam**

**V. Market Conduct (cont.)**

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|-----------------|--|---|
| October 22 & 24 | B. Oligopoly behavior:<br><i>Game theory</i> | Dixit, A., “Recent Developments in Oligopoly Theory”, <u>AEA Papers and Proceedings</u> , 72 (May 1982), pp. 12-17; W&J, Ch. 6 (pp. 167-179). |
|                 | C. Collusion                                 |   |
| October 29      | C1. More game theory                         | W&J, Ch.8.  |
| October 31      | C2. Methods of achieving a collusive outcome | W&J, Ch.9.  |
| November 5      |  | A&B, Ch.2 ( petroleum);<br><b>Discussion paper due.</b>   |
| November 7      | C3. Collusion and antitrust enforcement      | W&J, Ch.18.   |
| November 12     | D. Predatory pricing                         | W&J, Ch.10 (pp. 294-301).   |

**VI. Market power and market performance**

|             |  |   |
|-------------|--|---|
| November 14 | A. Empirical evidence                                | W&J, Ch. 16.  |
| November 19 |  | Peoples and Talley, “Black-White Earnings Differentials...”, <u>Papers and Proceedings, American Economic Review</u> , May 2001, pp.164-167; and Goff, <i>et al</i> , “Racial Integration as an Innovation: Empirical Evidence from Sports Leagues”, <u>American Economic Review</u> , March 2002, pp. 16-26. |
| November 21 | B. Technological change                              | W&J, Ch.13.   |
| November 26 | C. The computer industry and related antitrust cases | A&B, Ch.6 (computers);<br><b>Discussion paper due.</b>  |

D. Matter of *DOJ v. Microsoft*

|             |                                       |   |
|-------------|---------------------------------------|---|
| December 3  | D1. Issues (tying/bundling)           | [A reading to be distributed]   |
| December 5  | D2. Breakup/Settlement                | “Judge Orders God to Break Up into Smaller Deities”; and “Tough Microsoft Wins Favorable Antitrust Settlement:,” <u>Wall Street Journal</u> , Nov. 9, 2001. |
| December 10 | More Public Policy Issues             | <b>Discussion paper due on Computer industry.</b>   |
| December 17 | <b>Final Exam, Tuesday at 9:00 am</b> |   |

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| <b>Grading:</b> | Discussion papers (4 best highest grades*)   | 20% |
|                 | *Failure to submit a reasonable effort on “5 <sup>th</sup> paper” will affect grade. |     |
|                 | Midterm  | 35% |
|                 | Final exam   | 45% |

There will be no scheduling of makeup exams. Only under extremely extenuating circumstances will an *excused* absence be considered.

**Discussion Papers:** Chapters from the A&B text contain case studies. For each of five papers you *must* submit a typed discussion of relevant elements in the respective chapters as to how those elements apply to the issue addressed in the assignments and class. Up to five points will be awarded for a reasonable discussion. A paper will contain two-to-three pages and *must* be submitted before the start of class on the date indicated in the syllabus. You will be asked in class to discuss your “relevant elements”.