

University of California, San Diego
Department of Economics

Spring Quarter 2004
Professor T. Groves

Economics 87: Freshman Seminar: Economics of the Internet

Syllabus

This freshman seminar looks at some economic issues surrounding the Internet. We will discuss such topics as network externalities, decreasing cost industries, the Microsoft anti-trust case and monopoly regulation, intellectual property rights and piracy of digital media, and alternative business models based on the internet.



Prerequisites:

There are no prerequisites for this course, except Freshman Standing. If you are not a freshman, please see me.



Grades:

All freshman seminars are graded on a Pass/Not Pass basis. To receive a Passing grade you must (a) come to all four class meetings unless otherwise excused ahead of time, (b) participate in class discussion, which means you should acquaint yourself with some of the reading suggested, and (c) complete a five (5) page project described below, including a presentation of your paper at the final meeting.



Office Hours:

I will be available to students in this Freshman Seminar on Monday afternoons between 1 and 3 pm. My office is room 317 of the Economics building. I can also be reached by electronic mail at my UCSD e-mail address, tgroves@ucsd.edu, to ask questions, set up an appointment, and the like. I strongly encourage you to make use of this way of communicating with me.



Paper Project:

For this assignment, you are to prepare a five (5) page paper describing a successful business model that is based on the internet. Please try to find an example of something unique to the internet and not merely an alternative to a order-by-mail or phone catalog business.



Meeting Dates and Topics:

The seminar will meet in room 244 of Sequoyah Hall on four Mondays in April and May -- May 12, 19, 26, and May 3 -- from 5:00 - 7:00 pm. Students will present their paper projects on

the last meeting.

- **April 12: Introduction and Overview of Economics of Internet**

Reading: See Professor Hal Varian's *Economics of Information Technology* [PDF] [HTML]
An overview and review of the current status of the economic analysis of IT industries.

- **April 19: Microsoft Anti-trust Case and the Browser Wars**

Reading: See Judge Jackson's Finding of Fact in the US vs Microsoft Anti-Trust Case.

- **April 26: Piracy and the Economics of Copyright**

- **May 3: Alternative Business Models: Student presentations**