

Industrial Organization 260
Winter 2004

Professor Michael Noel

The course provides a graduate level introduction to Industrial Organization. It is the first of two courses in the IO sequence, each of which can be taken independently. This course deals primarily with price discrimination, monopoly power, entry, information and estimation techniques; the second course continues with mergers, vertical relationships, networks, and regulation. Each assumes a familiarity with micro theory, basic game theory and some econometrics.

The primary text for the course is Jean Tirole's, *The Theory of Industrial Organization*, (Cambridge: MIT Press, 1988). The text provides an overview of most of the theoretical topics, while the journal articles below are primarily of an empirical nature. Follow the links; there is no course reader. The starred readings are required.

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I. Introduction

* Tirole, Introduction.

* R. Schmalensee, "[Industrial Economics- An Overview](#)," *Economic Journal*, 98 (September 1988), 643-681.

II. Monopoly Pricing & Price Discrimination

* Tirole, Chapter 1 & 3.

W. Oi, "A Disneyland Dilemma: Two Part Tariffs for a Mickey Mouse Monopoly," *Quarterly Journal of Economics*, 85 (Feb. 1971), pp. 77-96.

W. Harris, "Captive Audiences and the Price of Popcorn," *Pennsylvania Economic Review*, 5 (1996), pp. 39-46.

E. Blackstone, "Restrictive Practices in the Marketing of Electrofax Copying Machines: The SCM Corporation Case," *Journal of Industrial Economics* 23 (March 1975), 189-202.

* A. Shepard, "[Price Discrimination and Retail Configuration](#)," *Journal of Political Economy* 99 (February 1991), pp. 30-53.

* S. Borenstein and N. Rose, "[Competition and Price Dispersion in the U.S. Airline Industry](#)," *Journal of Political Economy*, 102 (August 1994), pp. 653-683

* P. K. Goldberg, "[Dealer Price Discrimination in New Car Purchases- Evidence from the Consumer Expenditure Survey](#)," *Journal of Political Economy*, 104 (June 1996), 622-654.

mimeo, July 2002.

A. Nevo and C. Wolfram. "Why Do Manufacturers Issue Consumer Advice? A Field Experiment," *Journal of Economics*, 14 (Autumn 1983), pp. 301-314.

* G. Ellison, "Theories of Cartel Stability and the Joint Executive Committee," *Rand Journal of Economics*, 25 (Spring 1994), pp. 37-57.

D. Genesove and W. Mullin. "Testing Static Oligopoly Models: Conduct and Cost in the Sugar Industry, 1890-1914," *Rand Journal of Economics*, 29 (Summer 1998), 355-377.

D. Genesove and W. Mullin, "Rules, Communication, and Collusion: Narrative Evidence from the Sugar Institute Case," *American Economic Review*, 91 (June 2001), pp. 379-398.

* C. Wolfram, "Measuring Duopoly Power in the British Electricity Spot Market," *American Economic Review*, 89 (September 1999), 805-826.

