

Bernard Lebrun
Office: Vari Hall 1074
Tel: 736-2100 X33653
E-mail: blebrun@econ.yorku.ca
Office hours: T-R 1:00-2:00

Fall 2010

GS/ECON 5430 3.0AF: INDUSTRIAL ORGANIZATION

Course Description:

Industrial Organization is the study of firms, industries, and markets. Under different assumptions on the market participants, their interactions, and the information they possess; we will construct models to study the structure of the firms and their decisions about advertising, the characteristics and the prices of their products, their investments, their attempts to modify the markets, their entry and exit in some industries, and their incentives to collude. The emphasis of the course will be on oligopoly theory.

Lecture Schedule:

Time: Tuesday and Thursday 10:00-11:30
Location: R-N812

Main Textbook:

J. Tirole (1988); *The Theory of Industrial Organization*, M.I.T. Press

Additional References:

- Stephen Martin (2002); *Advanced industrial organization*, Blackwell
- D. Carlton and J. Perloff (2000); *Modern Industrial Organization*, Harper and Collins
- F. M. Sherer and Ross (1990); *Industrial Market Structure and Economic Performance*, Houghton Mifflin
- Schmalensee and R.D. Willig, Ed., (1989); *Handbook of Industrial Organization*, Volumes 1, 2, North-Holland
- A. Mas-Colell, M. D. Whinston, and J. R. Green (1995); *Microeconomic Theory*, Oxford University Press
- D. Fudenberg and J. Tirole (1992); *Game Theory*, MIT Press
- X. Vives (1999); *Oligopoly Pricing*, MIT Press

- J. Friedman (1983); *Oligopoly Theory*, Cambridge University Press
- O. Shy (1995); *Industrial Organization*, MIT Press.

Web Site:

I will post the lecture notes and exercises on the course Website, accessible through <http://dept.econ.yorku.ca/~blebrun>

Course Outline:

The Theory of the Firm
Monopoly Theory
 Monopoly Pricing
 Product Selection and Advertising
 Price Discrimination
 Vertical Control
Oligopoly Theory
 Short-Run Price Competition
 Dynamic Price Competition
 Product Differentiation
 Entry, Accommodation, and Exit
 Information and Strategic Behavior
 Research and Development

Grading:

There will be two examinations: one mid-term and one final. Your mark on the mid-term examination will count for one third of your total mark for the course only if your mark on the mid-term is higher than your mark on the final. Otherwise, your mark on the final will be your total mark for the course. If, for any reason, you do not write the mid-term, your mark on the final will again be your total mark for the course.

The mid-term examination will be held in class time on Thursday October 28. The final examination will be held during the exam period from December 12 to December 23. The University will announce its precise date, time, and place.