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University of Colorado  
Department of Economics  
Spring 2011

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Office Hours: T/Th 11:00 - 12:15 pm and by appointment

**Course Description and Objectives:**

Industrial Organization addresses imperfectly competitive market structures, strategic firm conduct such as pricing, output, quality, choice, and entry in those markets, and market performance. The objective of this course is to familiarize you with two of the major instruments of competition policy considered by Industrial Organization economists—*antitrust and regulation*.

The course will emphasize the economic legal concepts that form the basis for antitrust and regulation, the qualitative and quantitative tools that are useful for thinking critically about a wide range of competition issues, across a variety of industries, using

**Prerequisites:**

Students must have already taken Intermediate Microeconomic Theory (Econ 3070) *or* Industrial Organization (Econ 4697) to enroll in this class. No exceptions will be made.

**Requirements, Grading, and Other Policies**

Mid Term Exam #1	20%
Mid Term Exam #2	20%
Final Exam	20%
Class Attendance	10%
Case	

orientation, gender, gender variance, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference *within the first two weeks of the semester* so that I may make appropriate changes to my records. See policies at <http://www.colorado.edu/policies/classbehavior.html> and at [http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student\\_code](http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code).

**Religious Obligations:** Campus policy regarding religious observances requires that faculty make every effort to deal reasonably and fairly with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. In this class, you are required to inform me of a scheduling conflict *within the first two weeks of the semester* so that I may make accommodations. See the full details of the University religious observances policy at [http://www.colorado.edu/policies/fac\\_relig.html](http://www.colorado.edu/policies/fac_relig.html).

**Discrimination and Sexual Harassment:** The University's policies on discrimination, sexual harassment, and amorous relationships apply to all students, staff and faculty. Any student, staff or faculty member who believes s/he has been the subject of discrimination or harassment based upon race, color, national origin, sex, age, disability, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303 492 2127 or the Office of Judicial Affairs at 303 492 5550. Information about the ODH, the above referenced policies and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at <http://www.colorado.edu/odh>.

**Students with Disabilities:** If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services *within the first two weeks of the semester* so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303 492 8671, Willard 322, and

## Text and Supplemental Readings:

The assigned textbook *The Antitrust Revolution*, John E. Kwoka, Jr. And Lawrence J. White, eds., 5<sup>th</sup> edition, 2009, Oxford University Press is available at the bookstore. I encourage you to keep up with the readings, in advance of their coverage in lecture and discussions.

## Calendar of Topics:

### Part I: Horizontal Structure (Weeks 1 – 4):

**\*\*Note: The cases in this section are to be read in a different order than they appear in the book!**

- Case 7: Prices, Market Definition, and the Effects of a Merger: Staples Office Depot
- Case 4: Sky Wars: The Attempted Merger of EchoStar and DirecTV
- Case 6: Efficiencies and High Concentration: Heinz Proposes to Acquire Beech Nut
- Case 1: Merger Analysis in Restructured Electricity Supply Industries: The Proposed PSEG and Exelon Merger
- Case 2: Oracle's Acquisition of PeopleSoft: *U.S. v. Oracle*
- Case 5: Coordinated Effects Analysis: Cruise Lines Mergers
- Case 3: Coordinated Effects and Standards of Proof: The Arch Coal Merger

### Part II: Horizontal Practices (Weeks 5 – 7):

- Case 8: Predatory Pricing in the Airline Industry: *Spirit Airlines v. Northwest Airlines* Spirit =

**Part IV: Network Issues (Weeks 11-13):**

Case 18: Regulation, Antitrust, and *Trinko*

Case 19: Governance, Issuance Restrictions, and Competition in Payment Card Networks:  
*U.S. v. Visa and MasterCard*

Case