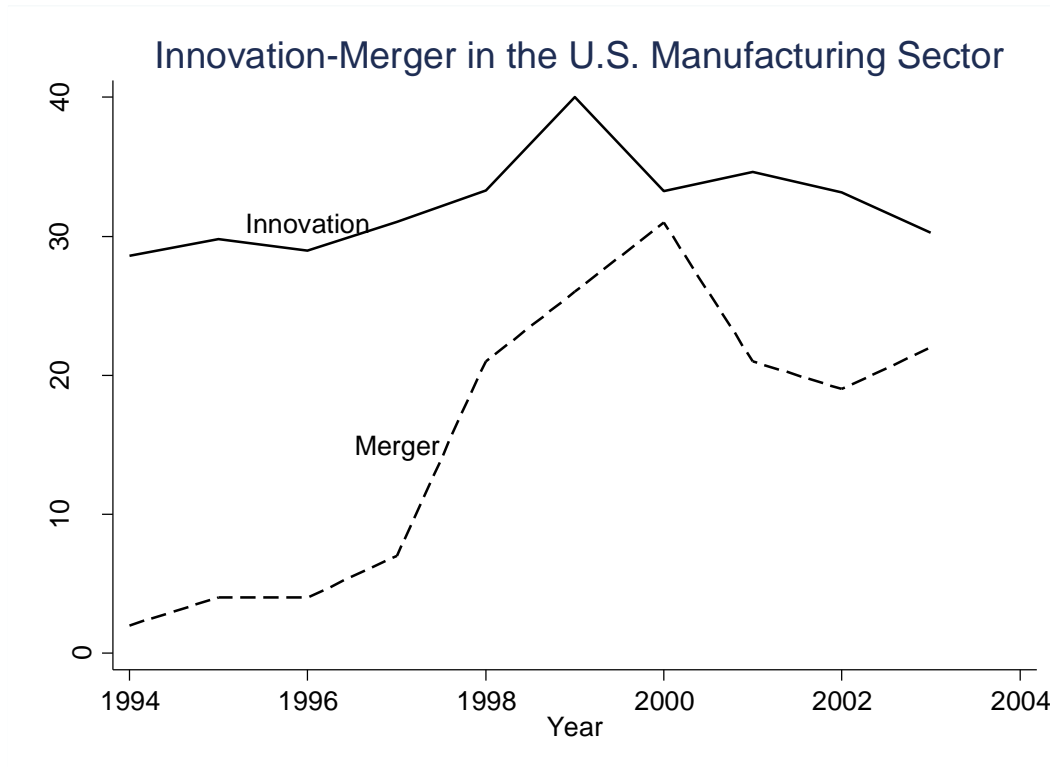


Huron University College
Department of Economics
Economics 3357A– Industrial Economics
Fall 2017
Classroom: W17
Time: Tuesdays 1:30pm to 4:30pm



Instructor: Dr. Mahdiyeh Entezarkheir

Office: V122

E-Mail: prof.mahdiyeh@gmail.com

Phone: 519-438-7224 ext217

Instructor's Office Hours: Tuesdays 11:30 to 12:30 (If this timing does not work for your schedule, please feel free to book an appointment.)

Course Webpage:

<https://owl.uwo.ca/portal>

Please check announcements of the course in the above address regularly.

Course Description and Objectives

This course aims to familiarize students with the following interesting questions as time permits. How do firms price their products? How come some firms can charge different prices for the same product from different customers? What are market structure and market power? How can we measure them? Why do firms invest in R&D? What is the role of patents in innovative activities? These are some of the interesting questions which I hope to address during lectures.

In a simple word, we have learned that in perfectly competitive markets the allocation of resources is efficient, meaning producers sell their goods and services at their marginal cost and consumers pay prices that indicate their marginal valuation. Nevertheless, in real world, we barely come across with industries which are perfectly competitive. This course addresses different theories of imperfectly competitive markets and their impacts on pricing and output.

Industrial Economics is an introductory course in the field of industrial organization and provides students with a foundation for further study in this area.

Course Method

We begin the term with a short review on the required foundation of microeconomics. We proceed with discussions on market structure, market power, and mergers. We try to incorporate their applications to the real world examples. We continue this term with the analysis on price discrimination, entry and exit decision of firms, and advertising. Finally, we finish on hot topics of intellectual property rights and Research & Development.

This course engages students in understanding new topics in microeconomics by requiring students to prepare and present a term paper. This assignment of the course further helps students to strengthen their presentation skills.

Prerequisites

Instructor assumes all students are familiar with elementary algebra and calculus, as well as Econ 2160 and 2161. Students are responsible for checking that they have successfully completed all course prerequisites.

Antirequisite(s): Economics 2165F/G, 3364A/B, 3365A/B.

Prerequisite(s): Economics 2261A/B

Textbook

- **Main text which is optional:** Peball, Lynne, Dan Richard, and George Norman (2011), *Industrial Organization: Contemporary Theory and Empirical Applications*, Blackwell Publishing, ISBN: 9781405176323.
 - I use a variety of resources for each lecture. Therefore, I make this text optional,
 - The textbook is available from the Bookstore at Western.
- Optional: Waldman and Jensen (2013), *Industrial Organization: Theory and Practice*, 4th Edition, Pearson.
- Optional: Belleflamme, Paul, and Peitz (2010), *Industrial Organization: Markets and Strategies*, Cambridge University Press.

- Optional: Perloff (2008), Microeconomics: Theory and Application with Calculus, First Edition, Pearson / Addison Wesley.
- Optional: Aghion and Howitt, Endogenous Growth Theory, MIT Press.
- Optional: Aghion and Howitt, The Economics of Growth, MIT Press.

Completion

Students will be assessed based on the following activities:

- Class participation: 10%
- Midterm [**November 14**, during class]: 30%
- Group term paper proposal [Due on **October 17**, in the beginning of the class]: 15%
- Group presentation of term paper with Power Points [All presentations will be on **November 21** during class time]: 15%
- First instructor observation of the poster: **November 24** from 10 am to 12 pm in V122 (5%)
- Second instructor observation of the poster: **November 27** from 10 am to 12 pm in V122 (5%)
- **Print poster after obtaining instructor's approval**
- Poster presentation at Huron's Center for Undergraduate Learning exhibition (CURL: <http://www.huronresearch.ca/curl/>) in Innovation Works on **November 30** from 12 to 5 pm (20%)

-In-class participation is mostly based on readings assigned papers and news articles for the class and participating in the discussions of that paper.

-Midterm is based on the lectures which will be specified by the instructor. For **Academic Accommodation for Medical/Non-Medical Grounds** please refer to the following. In case a proper documentation is not provided in a timely manner, the student receives no grade on that task and his/her final grade will be computed in accordance with the specified assessment above. If a proper documentation is provided, the grade of the missed test will be prorated to other tasks of the course. No make-up tests will be provided.

-The detailed instruction for how to write the proposal and poster are posted on Owl separately.

- Students have to hand in the printed proposal to the instructor in the beginning of the class on October 17.

- We will have a presentation from Huron's writing center during the class time. They will explain how to prepare a poster. The attendance in this session is mandatory. The date will be announced. Absence warrants losing 5 marks.

-In case of group works, if a student in a group does not participate, it is the duty of the rest of the group to inform the instructor. How?

- A student who feels a groupmate is shirking should send an email to that student, **cc me (prof.mahdiyeh@gmail.com)** in that email, and explain the problem to that student at least a week before the due date of the assignment.

- I will also contact that student and if I am convinced that the suggested student is indeed shirking, I will give that student zero on that assignment.
- I do not accept any complaint from groupmates after the assignment is submitted.

Tentative Course Schedule***

A variety of sources will be used for the following topics in addition to the textbook

- Review on previous material
- Market structure and market power
- Entry, Exit, and Mergers & Acquisitions
- Price discrimination
- Product differentiation
- Advertising
- R&D and Patents

***** This course schedule is tentative. Some of the materials in this schedule might need more or less emphasis. To accommodate that need, this schedule might be updated as we continue through the term.**

Lecture Notes:

- I will post lecture slides (if any) before class on the course webpage for your convenience.
- These are the lecture notes that I base my lectures on, but of course I elaborate on them in the class. These notes are useful for review, but they are not meant to take the place of lectures. Students who rely on notes only, they traditionally do not do well on their exams in instructor's courses.
- All the materials covered in lectures either on the posted slides or not are in exams.
- Additionally, I solve practice questions during lectures. To get solutions, students need to be present in the lectures. I do not provide answer key to those questions separately. Please do not ask. Answers will be written by the instructor on the board only.
- **Students who are present during lectures and get the written answer on the board for practice questions are more than welcome to ask questions during office hours with regards to those solutions. However, if a student was absent, I do not solve the question for the absent student separately during office hours. Thus, absent students should not expect such a service from the instructor.**

Communication with the Instructor:

- Please only e-mail the instructor for administrative purposes and please only email to this address:
prof.mahdiyeh@gmail.com
- When emailing the instructor, the **subject of the e-mail must contain ECON 3357.** Otherwise, the email will not be considered as I do not know exactly who the sender is.
- I prefer to answer your course related questions in person to help you understand better and avoid any miscommunication via email or phone. So please use office hours. I also welcome as many questions as possible during class time.

Note on Recording Lectures, Cell phones, and Laptops:

- Please respect class and your friends, and turned off your cell phone during lectures.
- Instructor prohibits recording her lectures or taking pictures from the board.



Appendix to Course Outlines

Prerequisite Information

Students are responsible for ensuring that they have successfully completed all course prerequisites. Unless you have either the requisites for this course or written special permission from your Provost and Dean to enrol in it, you may be removed from this course and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites.

Conduct of Students in Classes, Lectures, and Seminars

Membership in the community of Huron University College and the University of Western Ontario implies acceptance by every student of the principle of respect for the rights, responsibilities, dignity and well-being of others and a readiness to support an environment conducive to the intellectual and personal growth of all who study, work and live within it. Upon registration, students assume the responsibilities that such registration entails. The academic and social privileges granted to each student are conditional upon the fulfillment of these responsibilities.

In the classroom, students are expected to behave in a manner that supports the learning environment of others. Students can avoid any unnecessary disruption of the class by arriving in sufficient time to be seated and ready for the start of the class, by remaining silent while the professor is speaking or another student has the floor, and by taking care of personal needs prior to the start of class. If a student is late, or knows that he/she will have to leave class early, be courteous: sit in an aisle seat and enter and leave quietly.

Please see the *Code of Student Rights and Responsibilities* at:

<http://www.huronuc.ca/CurrentStudents/StudentLifeandSupportServices/StudentDiscipline>

Technology

It is not appropriate to use technology (such as, but not limited to, laptops, cell phones) in the classroom for non-classroom activities. Such activity is disruptive and is distracting to other students and to the instructor, and can inhibit learning. Students are expected to respect the classroom environment and to refrain from inappropriate use of technology and other electronic devices in class.

Academic Accommodation for Medical/Non-Medical Grounds

Students who require special accommodation for tests and/or other course components must make the appropriate arrangements with the Student Development Centre (SDC). Further details concerning policies and procedures may be found at:

http://www.sdc.uwo.ca/ssd/?requesting_acc

(a) Medical Grounds for assignments worth 10% or more of final grade: Go Directly to Academic Advising

University Senate policy, which can be found at

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_medical.pdf,

requires that all student requests for accommodation on medical grounds for assignments worth 10% or more of the final grade be made directly to the academic advising office of the home faculty (for Huron students, the “home faculty” is Huron), with supporting documentation in the form (minimally) of the Senate-approved Student Medical Certificate found at:

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform_15JUN.pdf.

The documentation is submitted in confidence and will not be shown to instructors. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been notified of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. The instructor will not normally deny accommodation where appropriate medical documentation is in place and where the duration it describes aligns with the due date(s) of assignment(s). Before denying a request for accommodation on medical grounds, the instructor will consult with the Provost and Dean. The instructor’s decision is appealable to the Provost and Dean.

(b) Accommodation on Medical Grounds for assignments worth less than 10% of final grade: Consult Instructor Directly

When seeking accommodation on medical grounds for assignments worth less than 10% of the final course grade, the student should contact the instructor directly. The student need only share broad outlines of the medical situation. The instructor **may** require the student to submit documentation to the academic advisors, in which case she or he will advise the student and inform the academic advisors to expect documentation. The instructor may not collect medical documentation. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been notified of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. The instructor will not normally deny accommodation where appropriate medical documentation is in place and where the duration it describes aligns with the due date(s) of assignment(s). Before denying a request for accommodation on medical grounds, the instructor will consult with the Provost and Dean. The instructor’s decision is appealable to the Provost and Dean.

(c) Non-medical Grounds: Consult Instructor Directly

Where the grounds for seeking accommodation are not medical, the student should contact the instructor directly. Late penalties may apply at the discretion of the instructor. Apart from the exception noted below, academic advisors will not be involved in the process of accommodation for non-medical reasons.

Where a student seeks accommodation on non-medical grounds where confidentiality is a concern, the student should approach an academic advisor with any documentation available. The advisors will contact the instructor after the student’s request is received, and will outline the severity and duration of the challenge without breaching confidence. The student will be informed that the instructor has been notified that significant circumstances are affecting or have affected the student’s ability to complete work, and the student will be instructed to work as quickly as possible with the instructor on an agreement for

accommodation. Before denying a request for accommodation where documentation has been submitted to an academic advisor, the instructor will consult with the Provost and Dean. The instructor's decision is appealable to the Provost and Dean.

Statement on Academic Offences

Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at the following Web site: http://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_undergrad.pdf

Statement on Academic Integrity

The International Centre for Academic Integrity defines academic integrity as "a commitment, even in the face of adversity, to five fundamental values: honesty, trust, fairness, respect, and responsibility. From these values flow principles of behaviour that enable academic communities to translate ideals to action." (CAI Fundamental Values Project, 1999).

A lack of academic integrity is indicated by such behaviours as the following:

- Cheating on tests;
- Fraudulent submissions online;
- Plagiarism in papers submitted (including failure to cite and piecing together unattributed sources);
- Unauthorized resubmission of course work to a different course;
- Helping someone else cheat;
- Unauthorized collaboration;
- Fabrication of results or sources;
- Purchasing work and representing it as one's own.

Academic Integrity: Importance and Impact

Being at university means engaging with a variety of communities in the pursuit and sharing of knowledge and understanding in ways that are clear, respectful, efficient, and productive. University communities have established norms of academic integrity to ensure responsible, honest, and ethical behavior in the academic work of the university, which is best done when sources of ideas are properly and fully acknowledged and when responsibility for ideas is fully and accurately represented.

In the academic sphere, unacknowledged use of another's work or ideas is not only an offence against the community of scholars and an obstacle to academic productivity. It may also be understood as fraud and may constitute an infringement of legal copyright.

A university is a place for fulfilling one's potential and challenging oneself, and this means rising to challenges rather than finding ways around them. The achievements in an individual's university studies can only be fairly evaluated quantitatively through true and honest representation of the actual learning done by the student. Equity in assessment for all students is ensured through fair representation of the efforts by each.

Acting with integrity at university constitutes a good set of practices for maintaining integrity in later life. Offences against academic integrity are therefore taken very seriously as part of the university's work in preparing students to serve, lead, and innovate in the world at large.

A university degree is a significant investment of an individual's, and the public's, time, energies, and resources in the future, and habits of academic integrity protect that investment by preserving the university's reputation and ensuring public confidence in higher education.

Students found guilty of plagiarism will suffer consequences ranging from a grade reduction to failure in the course to expulsion from the university. In addition, a formal letter documenting the offence will be filed in the Provost and Dean's Office, and this record of the offence will be retained in the Provost and Dean's Office for the duration of the student's academic career at Huron University College.

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted for such checking will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com.

Computer-marked multiple-choice tests and/or exams may be subject to submission for similarity review by software that will check for unusual coincidences in answer patterns that may indicate cheating.

Personal Response Systems ("clickers") may be used in some classes. If clickers are to be used in a class, it is the responsibility of the student to ensure that the device is activated and functional. Students must see their instructor if they have any concerns about whether the clicker is malfunctioning. Students must use only their own clicker. If clicker records are used to compute a portion of the course grade:

- the use of somebody else's clicker in class constitutes a scholastic offence,
- the possession of a clicker belonging to another student will be interpreted as an attempt to commit a scholastic offence.

Policy on Special Needs

Students who require special accommodation for tests and/or other course components must make the appropriate arrangements with the Student Development Centre (SDC). Further details concerning policies and procedures may be found at:

http://www.sdc.uwo.ca/ssd/?requesting_acc

Attendance Regulations for Examinations

A student is entitled to be examined in courses in which registration is maintained, subject to the following limitations:

- 1) A student may be debarred from writing the final examination for failure to maintain satisfactory academic standing throughout the year.
- 2) Any student who, in the opinion of the instructor, is absent too frequently from class or laboratory periods in any course will be reported to the Provost and Dean of the Faculty offering the course (after due warning has been given). On the recommendation of the Department concerned, and with the permission of the Provost and Dean of that Faculty, the student will be debarred from taking the regular examination in the course. The Provost and Dean of the Faculty offering the course will communicate that decision to the Provost and Dean of the Faculty of registration.

Class Cancellations

In the event of a cancellation of class, every effort will be made to post that information on the Huron website, <http://www.huronuc.ca/AccessibilityInfo> ("Class Cancellations").

Mental Health @ Western

Students who are in emotional/mental distress should refer to Mental Health @ Western <http://www.uwo.ca/uwo.com/mentalhealth/> for a complete list of options about how to obtain help.

Academic Advising

For advice on course selections, degree requirements, and for assistance with requests for medical accommodation [see above], students should contact an Academic Advisor in Huron's Student Support Services (huronsss@uwo.ca). An outline of the range of services offered is found on the Huron website at: <http://www.huronuc.ca/CurrentStudents/AcademicAdvisorsandServices>

Department Chairs and Program Directors and Coordinators are also able to answer questions about their individual programs. Their contact information can be found on the Huron website at: <http://www.huronuc.ca/Academics/FacultyofArtsandSocialScience>