

**INDIANA UNIVERSITY-PURDUE UNIVERSITY FORT WAYNE**  
**COURSE SYLLABUS (FALL 2007)**

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- COURSE:** Economics of Industry  
ECON-E385-01, T&R 12:00-1:15 p.m., KT 239
- INSTRUCTOR:** Dr. Nodir Adilov  
Neff 340C  
481-6497  
adilovn@ipfw.edu
- OFFICE HOURS:** T&R 10:30-11:30 a.m., 3:00-4:00 p.m., and by appointment
- TEXTBOOK:** Don. E. Waldman and Elizabeth Jenkins, *Industrial Organization: Theory and Practice*, 3<sup>rd</sup> edition, Pearson Education, 2007.

**COURSE GOALS AND OBJECTIVES:**

How do monopolies come about? How can a firm keep new competitors from coming into the market? Should the government regulate oil companies? Why are prescription drugs cheaper in Canada than in the US? How are local telephone service prices decided? These types of questions are studied in this course. More generally, this course studies how firms compete in various industries and how the government can regulate these industries. The students will also learn the strategies firms employ in order to increase their profits in different market situations.

After completing the course, the successful student will:

- 1) be able to understand how mergers and cartels affect market performance;
- 2) be able to explain what determines market concentration in various industries;
- 3) learn about pricing and non-pricing strategies that firms can employ;
- 4) be able to apply the theoretical knowledge to analyze specific markets and industries;
- 5) become familiar with regulatory and public policy issues related to industrial organization.

**EXPECTATIONS AND EVALUATION:**

There will be a midterm, a final, homework assignments, and a paper. I expect that you will actively participate in class discussions and strategic games. Please do not hesitate to ask questions in class and during my office hours. Remember: there are no bad questions!

Learning economics requires practice, not memorization. It is important that you do homework problems as they are assigned. You are expected to hand in your homework

assignments in the beginning of the class on a due date. Homework assignments will be posted on WebCT as well.

Your final grade will be determined as follows:

Homework assignments	10%
Attendance, participation, presentations, games	40%
Paper	20%
Midterm	15%
Final Exam	15%

The following grading scale will be applied in this course for determination of final grades:

A	90-100%
B	80-89%
C	70-79%
D	55-69%
F	below 55%

If you cannot attend a class or an exam for legitimate reasons, you must notify me before the exam or the quiz. Make-up exams will be given at the instructor's discretion.

### **Research Paper**

For your research paper you may examine any domestic or foreign industry. The length of your paper should be around 8-10 pages. The timetable for paper submission is as follows:

- November 1: submit a two-page draft of your paper.
- December 4: completed paper is due.

### **OTHER POLICIES:**

Students are expected to be familiar with and adhere to the university policies with regard to academic dishonesty. These policies can be found on <http://www.ipfw.edu/academics/regulations/honesty.shtml>.

If you have a disability and need assistance, special arrangements can be made to accommodate most needs. Contact the Director of Services for Students with Disabilities (Walb, room 113, telephone number 481-6658), as soon as possible to work out the details. Once the Director has provided you with a letter attesting to your needs for modification, bring the letter to me. For more information, please visit the web site for SSD at <http://www.ipfw.edu/ssd/>.

**COURSE OUTLINE AND TENTATIVE TIMETABLE FOR COVERAGE OF MATERIAL:**

Week 1	Chapter 1: Introduction Chapter 2: The Firm and Its Costs
Week 2	Chapter 2: The Firm and Its Costs
Week 3	Chapter 3: Competition and Monopoly
Week 4	Chapter 3: Competition and Monopoly Chapter 4: Market Structure
Week 5	Chapter 4: Market Structure
Week 6	Chapter 5: Monopoly Practices
Week 7	Chapter 8: Oligopoly <b>Midterm (October 4)</b>
Week 8	Chapter 8: Oligopoly
Week 9	Chapter 9: Collusion
Week 10	Chapter 10: Cartels in Action
Week 11	Chapter 13: Product Differentiation and Advertising <b>Two-page paper draft is due (November 1)</b>
Week 12	Chapter 14: Technological Change <b>Short paper presentations (November 8)</b>
Week 13	Chapter 14: Technological Change Chapter 15: Price Discrimination
Week 14	Chapter 15: Price Discrimination Chapter 17: Regulation and Deregulation
Week 15	Chapter 17: Regulation and Deregulation
Week 16	<b>Completed paper is due (December 4)</b> <b>Paper presentations</b> Overview
Week 17	<b>Final exam (not cumulative)</b>

NOTE: These policies and course outline are subject to change at the instructor's discretion.