

ECO380: Markets, Competition, and Strategy
Department of Economics
University of Toronto

Winter 2016

Instructor

Zhe Yuan

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Office Hours: Monday 2-4pm (Please send me an Email before you come or appointment by Email.)

Location: GE346

Teaching Assistant

Jan Victor Dee

Email: jan.dee@utoronto.ca

Office Hours: Wednesday 4-6pm

Location: GE313

Email policy

I will respond to email within 24 hours on a weekday, 48 hours on a weekend, according to these policies:

- a) I only respond to emails posing questions that can be answered in 1-3 sentences. For detailed questions, please come to my office hours.
- b) I do not respond to emails that request information that can be found on the website or the syllabus.
- c) For the results of the graded materials, please come to my office hours.

Website

Blackboard. Announcements will be posted on blackboard and communicated to you via email, so please make sure that you have a valid utoronto.ca e-mail address.

Prerequisites

Prerequisites: ECO200Y1/ECO204Y1/ECO206Y1; ECO220Y1/ECO227Y1/
(STA220H1,STA255H1)/ (STA257H1, STA261H1)

Note: Students are responsible for ensuring they meet the prerequisites for this course. The instructor cannot waive prerequisites.

Objectives

This course in applied microeconomics is concerned with the functioning of markets and the strategic behavior of firms. The focus is on strategic relationships between organizations, including competitive and cooperative relationships among firms.

Schedule

Lectures will be held in RW110 on Monday from 9-11am. Tutorials will be held RW110 on Wednesday 10-11am (schedule TBD). There will be no tutorials for the first week or when we have midterm.

(Tentatively) Term Test will be held on Monday, Feb. 29th from 9-11am, Location: TBA

Final Exam: During the exam period, to be announced.

Grading

Midterm will cover lecture 1-6 and worth 40%. Final exam will be cumulative and counts for 60%.

If you miss a test due to sickness, you must notify me (via email or in person) within one week of the missed test and arrange to provide me with a doctor's note. If you satisfy these criteria, I will prepare a make-up midterm exam. The weight of the missed test will **not** be shifted to the final exam. There will be no makeup test for the makeup test.

Grade appeals must be submitted within two weeks of the date the work is returned. The specific reason for the appeal must be in writing. The test in question will be reviewed in its entirety and the final grade may go up or down.

Acceptable Medical Notes

The only acceptable medical note is a fully completed University of Toronto Medical Certificate. It must be original and completed by a qualified medical doctor (not an acupuncturist, chiropractor, or other health care professional). The doctor's OHIP registration number must be provided on the note.

Text

[PRN, required] Pepall, L., Richards, D. J., & Norman, G. (2008). *Industrial organization: Contemporary theory and practice*.

Although the lectures will generally follow PRN, they will depart frequently. The most priority should be on lecture notes and then the text.

Accessibility Needs

The University of Toronto is committed to accessibility. If you require accommodations for a disability, or have any accessibility concerns about the course, the classroom or course materials, please contact Accessibility Services as soon as possible: disability.services@utoronto.ca or <http://studentlife.utoronto.ca/accessibility>.

Academic (and non-academic) Misconduct

Students should note that I do not tolerate any form of academic misconduct. Any student caught engaging in such activities will be subject to academic discipline ranging from a mark of zero to dismissal from the university as outlined in the academic handbook. Any student abetting or otherwise assisting in such misconduct will also be subject to academic penalties.

Topics

| NO. of Week | Date | Content | Textbook | Tutorial |
|-------------|---------|----------------------------------|------------------------|----------|
| Week 1 | Jan. 11 | Introduction | | No |
| Week 2 | Jan. 18 | Monopoly and Perfect Competition | PRN Ch. 2 | Yes |
| Week 3 | Jan. 25 | Cournot Competition | PRN Ch. 9 | Yes |
| Week 4 | Feb. 1 | Bertrand Competition | PRN Ch. 10 | Yes |
| Week 5 | Feb. 8 | Differentiated Products | PRN Ch. 7 | Yes |
| Week 6 | Feb. 15 | Reading Week (No Class) | – | – |
| Week 7 | Feb. 22 | Stackelberg Competition | PRN Ch. 11 | Yes |
| Week 8 | Feb. 29 | Midterm Exam | – | No |
| Week 9 | Mar. 7 | Collusion and Repeated Games | PRN Ch. 14 and 15 | Yes |
| Week 10 | Mar. 14 | Pricing (1) | PRN Ch. 5, 6 and 8 | Yes |
| Week 11 | Mar. 21 | Pricing (2) | PRN Ch. 5, 6 and 8 | Yes |
| Week 12 | Mar. 28 | Strategy of the Firm (1) | PRN Ch. 12, 13, 16, 17 | Yes |
| Week 13 | Apr. 4 | Strategy of the Firm (2) | PRN Ch. 12, 13, 16, 17 | Yes |
| | TBA | Final Exam | | |