

Instructor	Yanyou Chen
Email	yanyou.chen@utoronto.ca
Section	L0101
Day/Time	Tu 10:00AM – 1:00PM
Location	SS2102
Office Hours	Tu 5:00PM – 6:00PM (See below for details)
TAs	Alvaro Jose Pinzon (head TA), alvaro.pinzon@mail.utoronto.ca Uluc Sengil, u.sengil@mail.utoronto.ca
TA Office Hours	TBA

Course Overview

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. The first unit will cover basic models of imperfect competition and the impact of market structure. The second unit will focus on pricing strategies. The final unit will examine elements of firm competition that are not covered in the basic models.

Prerequisite

ECO200Y1/ECO204Y1/ECO206Y1; ECO220Y1/ECO227Y1/(STA220H1, STA255H1)/(STA237H1, STA238H1)/(STA257H1, STA261H1)

The Department of Economics checks whether students have the course prerequisites, and students are removed if they do not have them. It is the students' responsibility to read the calendar. The instructor cannot waive prerequisites.

Assessment

There will be three **problem sets**, one **term test**, and a **final exam**. The problem sets count for 20%. The term test counts for 35%. The final exam counts for 45%. Collaboration on the problem sets is allowed. Collaborating students can choose to submit a single group answer (maximum group size: 3 students). You are encouraged to type your homework, but hand-written and scanned work will be accepted if it is clearly presented. No late problem sets will be accepted.

I understand that there are many difficulties during the coronavirus pandemic. But unfortunately, there will be no extensions or make-up for the graded homework for any reason. No late problem sets will be accepted. These assignments can be completed over a few days, and the following policy is intended to accommodate missing the assignment due to medical reasons. Students who fail to submit problem sets on time for medical reasons may seek special consideration by emailing the instructor within a week after the due date. Petitions based on travel, employment, or personal plans will not be considered.

Only if the instructor was notified and confirmed with the students, their marks for the missed problem sets will be calculated as follows:

1. If you miss one problem set, your mark for the missed problem set is equal to the lowest mark for the other two problem sets.
2. If you miss two problem sets, you will get zero for the second missed problem set. Your mark for the first missed problem set is equal to the mark for the submitted problem set.
3. You will get zero for all your problem sets if you miss all the problem sets.

For ongoing injury, illness, or personal/family problems that last longer than five days students must contact their College Registrar immediately <https://future.utoronto.ca/current-students/registrars/>. Students who

miss the term test for medical reasons may seek special consideration by contacting their College Registrar first and ask the College Registrar to contact the instructor about makeup term test. Only if the instructor hears from their College Registrar, students' marks for the missed term test will be based on their marks of the makeup term test:

1. The makeup term test will be held on Mar 15th. Time and location TBA.
2. Consistent with university policy, there will be no "makeup" test for the makeup term test. No medical excuses will be accepted, and a grade of zero will be applied if the students fail to write the makeup test.
3. The makeup test will include all the materials covered right up to the lecture before the makeup exam.

Students who miss the final exam for reasonable reasons may initiate petitions to the Faculty of the Art and Science. Please note that all times listed in this syllabus are in local Toronto time. It is your responsibility to correctly convert local Toronto time to your time zone: we will NOT accept confusion about deadlines as an excuse for lateness or missed work.

Textbooks

The main textbooks for this course are:

- [PRN] Pepall, L., Richards, D. J., & Norman, G. (2014, 5th Edition). *Industrial Organization: Contemporary Theory and Empirical Applications*.

The textbook for this course is recommended, but not required. All content that students are expected to know will be addressed in lecture. However, a textbook is naturally able to cover material in greater depth than lecture slides, and so students may find PRN to be a valuable supplement to lecture slides.

- Tim Wu, *The Curse of Bigness: Antitrust in the New Gilded Age*, Columbia Global Reports, 2018.
- Kwoka and White, *The Antitrust Revolution: Economics, Competition, and Policy* 6th Edition.

Email Policy

Questions regarding homework and the results of the graded materials should be reviewed initially with the TA. If you have additional questions once you have contacted the Teaching Assistant, contact the instructor. Any email to me or our TA should originate from your UofT email. Please include "ECO380, Section XXX" in the subject line and your name and student number at the end of your email. I will respond to email within 24 hours on a weekday, 48 hours on the weekend, according to these policies:

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

Office Hours

Instructor office hours

- Tu 5:00PM – 6:00PM each week for "drop-in" Zoom office hours

- Zoom link: <https://utoronto.zoom.us/j/84533241766>
- These are intended to be group drop-ins (often several students have the same questions). I will have extended office hours week before examinations.

TA office hours

- Location and time to be announced.

Test Score Appeals

- Please write a short paragraph explaining why you should obtain additional points. Turn in a hard copy of this by the end of the week following the week in which exams are first handed back. This holds regardless of whether you are in class when exams are returned.
- Conditional on this argument found persuasive by me, the entire exam will be re-graded. Your score may go up or down.

Zoom

Only U of T accounts are authorized to log into the Zoom sessions. If you don't have one please sign up by Opening Zoom App > Sign in > Sign In with SSO > utoronto.zoom.us > sign in your UofT account. If you are connecting from China, you may need to use [Alibaba CENLinks](#) to an external site. to connect to Zoom.

Required Material: Stata 14+

One objective of the course is to get students to perform analyses using statistical software. Some tutorials will provide hands-on experience to Stata, one of the most widely used statistics software in the world.

Stata is a proprietary commercial software, available on Windows, macOS and Linux. Stata comes in successive versions. You need version 14 or above. The program is available on all computers at the Map & Data Library computer lab (which is available remotely) and reference area. Check [here](#). Aside from library access, Stata is (as always) available at reduced rates for students. As of January 2021, a 6-month license to [Stata/IC](#) for students costs 48 USD (make sure to click on the 6-month tab).

Unfortunately, you cannot use other software like R, Python etc.

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. During the testing window, any discussion of course material is forbidden.

Ongoing Learning Disability or Accommodation Requirement

Students with diverse learning styles and needs are welcome in this course. If you have an ongoing disability issue or accommodation need, you should register with Accessibility Services (AS) (<http://accessibility.utoronto.ca>) at the beginning of the academic term. (Without registration, you will not be able to verify your situation with your instructors, and instructors will not be advised about your accommodation needs.) AS will then assess your medical situation, develop an accommodation plan with you, and support you in requesting accommodation for your course work. Remember that the process of accommodation is private: AS will not share details of your condition with any instructor, and your instructors will not reveal that you are registered with AS.

For more information on services and resources available to students, please contact Tanya Lewis, Director, Director of Academic Success and Accessibility Services, at (416) 978-6268; tanya.lewis@utoronto.ca. Accessibility services: <http://studentlife.utoronto.ca/as/>

Privacy

The Faculty of Arts & Science plans to return to in-person instruction on January 31, that means the first three classes will on Zoom. We are all expected to respect university privacy and copyright restrictions in this course. Course lectures will be recorded on video and will be available to students in the course for viewing remotely. The relevant policy states “Download and re-use is prohibited. Course videos and materials belong to your instructor, the University, and/or other sources depending on the specific facts of each situation and are protected by copyright. Do not download, copy, or share any course or student materials or videos without the explicit permission of the instructor.”

Tentative Schedule

Date	Topics	HW
Jan. 11 th	1. Introduction	
Jan. 18 th	2. Monopoly and Perfect Competition (PRN Ch.2) - <i>Tutorial 1: Stata I</i>	
Jan. 25 th	3. Game Theory and Competitive Strategy (PRN Ch. 9)	
Feb. 1 st	4. Cournot and Bertrand Competition (PRN Ch. 9 and 10) - <i>Tutorial 2: HW1 solution</i>	HW1 due at 11:59pm Jan. 31 st
Feb. 8 th	5. Stackelberg Competition (PRN Ch. 11) - <i>Tutorial 3: Stata II</i>	
Feb. 15 th	6. Collusion and Repeated Games (PRN Ch. 14)	
	Reading Week	
Mar. 1 st	7. Pricing (PRN Ch. 5, 6 and 7) - <i>Tutorial 4: HW2 solution</i>	HW2 due at 11:59pm Feb. 28 th
Mar. 8 th	Term Test (in class)	
Mar. 15 th	8. Bundling (PRN Ch. 8) - <i>Tutorial 5: Midterm solution</i>	(Makeup term test)
Mar. 22 nd	9. Entry, Exit and Predation (PRN Ch. 12 and 13) - <i>Tutorial 6: Stata III</i>	
Mar. 29 th	10. Non-Price Competition: Advertising and R&D (PRN Ch. 19, 20 and 21) - <i>Tutorial 7: HW3 solution</i>	HW3 due at 11:59pm Mar. 28 th
Apr. 5 th	11. Auctions (PRN Ch. 23)	
TBA	Final Exam	