Wesleyan University
Department of Economics

ECON 221 Section 01
Market Structure, Firms, and Organizations (1 credit)

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Class Times: TR 1:10pm-2:30pm in PAC 421
Office Hours: T 2:40pm-3:40pm, R 12pm-1pm, and by appointment
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Course Description
Prerequisites: ECON 101 or ECON 110. This course provides an introduction to the basic concepts of industrial organization and analyzes the relationship between industry structure and market outcomes. It will also examine economic theories of the firm and alternative contractual relationships.

Readings
There is no required textbook for this course. However we will discuss several chapters from the books listed below. These books have been placed in reserve in the library.


We will also be going through several journal articles which I will post on Moodle. I will also post lecture slides on Moodle. However, these slides are not intended to replace or substitute for the readings.

Instructional Objectives
Upon successfully completing this course the student should be able to:

- Identify different theories of the firm.
- Be able to understand the concepts of property rights and transaction costs.
- Describe the different market structures under which firms operate, such as monopoly and oligopoly.
- Analyze how market structures impact firm behavior.
- Identify and compare the anti-competitive pricing strategies that firms adopt under various market structures.
- Use the theoretical insights presented in this course to explain observed features of particular markets and industries.
• Determine the factors that influence the firms decision-making over time.

• Critically analyze the role of the government in regulating industries and the subsequent implications of public regulation.

Teaching Procedures
The course meets in lecture/discussion format. During times of inclement weather check the university home page for any cancellations or delays. Announcements concerning the course (e.g. examination times, content coverage, reading assignments, etc.) will be made at the beginning of class or will be posted on Moodle, for which all students are accountable.

Course Outline

1. Foundations of Industrial Organization

1.1 Introduction
PRN Chapter 1

1.2 Review of Microeconomics
PRN Chapter 2

1.3 Market Structure
PRN Chapter 3

1.4 Monopoly
PRN Chapter 5


1.5 Oligopoly
PRN Chapter 9

1.6 Barriers to entry


1.7 Advertising and Competition

BDSS Chapter 5

PRN Chapter 20

2. The Economics of Organization

2.1 Theory of the Firm


2.2 Asset Specificity, Transaction Costs, and Property Rights

SD Chapters 9 and 10


2.3 Agency Costs, Monitoring, and Ownership


2.4 Business Groups and the Corporate Form

SD Chapter 13


3. Applications

2.1 Business History


3.2 Industry Analysis

BDSS Chapter 8

There will be no classes on October 21-22 (Fall Break) and November 27-29 (Thanksgiving Break).

Evaluation

Your grade in the course will be based on:

- Midterm exam: 30%
- Final exam: 30%
- Short Papers/Reports/Assignments: 30%
- Class participation/attendance: 10%

Exams

The exams are tentatively scheduled as follows:

Midterm Exam: Oct. 17
Final Exam: Dec. 14

If you are absent for a significant work/non-work related reason then plan on providing written evidence for your excuse. Only extraordinary circumstances would permit the make up of a missed exam (e.g., certified illness, death in the family, religious observances).

Short Papers/Reports/Assignments

I will assign several short papers during the semester. They will be about 4 to 7 pages long and these will evaluate you on your understanding of the readings. I will also require you to do a short report in class on some the readings. I will also require you to write a brief industry analysis of an industry of your choosing. You will also present your findings in front of the class. I will discuss how to conduct an industry analysis in order to provide you with what you need to know to complete the assignment. I will not accept late submissions.

Attendance Policy

I will be checking attendance during each class. It is important that you attend classes since attendance counts for part of your grade.
Disability Resources
Wesleyan University is committed to ensuring that all qualified students with disabilities are afforded an equal opportunity to participate in and benefit from its programs and services. To receive accommodations, a student must have a documented disability as defined by Section 504 of the Rehabilitation Act of 1973 and the ADA Amendments Act of 2008, and provide documentation of the disability. Since accommodations may require early planning and generally are not provided retroactively, please contact Disability Resources as soon as possible.
If you believe that you need accommodations for a disability, please contact Dean Patey in Disability Resources, located in North College, Room 021, or call 860-685-2332 for an appointment to discuss your needs and the process for requesting accommodations.