Empirical Industrial Organization

This is the second course on the economics of industrial organization. The goal of this course is to introduce you to some modern empirical work in industrial organization. The reading list is more extensive than what we will actually cover; it is intended to serve as a reference guide for your future work and as a general bibliography. At the beginning of each section, I will announce which articles we will cover in class.

Prerequisites Some knowledge about Ph.D. level of microeconomic theory, game theory and econometrics are required prerequisites.

Requirements

Class Discussion:  
I will expect all students to come to class prepared to discuss the assigned readings (to be announced at least one class ahead). Each student will have an assignment to present one (or more) papers in class. You are expected to attend all class sessions; unexcused absences will result in grade penalties.

Written Assignments:  
There will be approximately one every two weeks. Part of these assignments will be problems related to material covered in class. You may discuss these problems with other students, but you must turn in your own answers.

Take-home final exam:  
It will comprise problems and essays on topics covered. It may also include a careful analysis of a paper not covered in class. You are forbidden to discuss the exam questions with anyone other than the instructor; noncompliance will be a serious violation of academic honesty.

Class Times  MW 5th and 6th periods, MAT 114

Office Hours  by appointment

Text: There is no text for this class, although you may find it useful to consult the texts from the first module class. The Handbook of Industrial Organization and the Handbook of Econometrics (both published by Elsevier) have many useful chapters to guide you through the relevant literature. Chapters can be
downloaded from http://www.sciencedirect.com/. I list some chapters in the syllabus, but you should be aware of other chapters for later research.

**Abbreviations of Journal Titles**

The following abbreviations are used for journal titles:
- AER American Economic Review
- BJE Bell Journal of Economics
- EMA Econometrica
- IER International Economic Review
- IJIO International Journal of Industrial Organization
- JE Journal of Econometrics
- JEH Journal of Economic History
- JEL Journal of Economic Literature
- JEMS Journal of Economics & Management Strategy
- JEP Journal of Economic Perspectives
- JET Journal of Economic Theory
- JIE Journal of Industrial Economics
- JLE Journal of Law and Economics
- JPE Journal of Political Economy
- QJE Quarterly Journal of Economics
- ReStat Review of Economics and Statistics
- ReStud Review of Economic Studies
- RJE Rand Journal of Economics

**I. Introduction**


II. Empirical Studies of Pricing

1. Static Models


*R. Schmalensee, “Inter-industry Studies of Structure and Performance,” HIO2, Chapter 16.

2. Repeated Interaction


III. Production, Technology and Industry Structure


J. Panzar, “Technological Determinants of Firm and Industry Structure,” HIO1, Chapter 1.


IV. Empirical Studies of Differentiated Products Industries
1. Pricing and Demand Models


2. Welfare (if time permits)

Welfare Measures Computed from Estimated Demand Systems


V. Price Discrimination


L. Stole, "Price Discrimination and Competition," HI03, Chapter 34.


VI. Market Structure

1. Entry Models


2. Entry Deterrence


3. Entry, Growth, and Turnover


VII. Advertising


*G. Lewis, “Asymmetric Information, Adverse Selection and Online Disclosure: The Case of eBay Motors,” AER, June 2011, 1535-46.


R. McDevitt, “‘A’ Business by Any Other Name: Firm Name Choice as a Signal of Firm Quality,” JPE, August 2014, 909-44.

