

2025 Spring
ECO 4104: Economics of Competitive Strategy

Instructor: Ting Cao
Office: MAT 322
Phone: 352-392-0382
Office Hours: or by appointment
E-mail: ting.cao@ufl.edu

Teaching Assistant: Yuchen Zhu
Office: TBD
Office Hours: TBD
E-mail: yuchenzhu@ufl.edu

Class Location: MAT 114
Class Meeting Time: Tuesday and Thursday, 7th and 8th periods, 13:55 – 15:50

Course Prerequisites: ECO 2013, ECO 2023, ECO 3101 or ECP 3703, & (MAC 2233 or higher)

Course Textbook (required): *Introduction to Industrial Organization, 2 edition* by Cabral, Luis M.B. (2017 Massachusetts Institute of Technology)

Course Description: This course offers an introduction to the modern economics of industrial organization, focusing on the strategic behavior of firms within various market structures. We will explore how firms compete, cooperate, and innovate in markets, analyzing the implications of these strategies on market outcomes.

Course Objectives: Students that successfully complete this course will be able to:

- 1. Understand Market Structures:** Students will learn to analyze different market structures, including perfect competition, monopolistic competition, oligopoly, and monopoly, and understand how these structures influence firm behavior and market outcomes.
- 2. Analyze Strategic Behavior:** The course will provide students with the tools to critically evaluate firms' strategic decisions related to pricing, product positioning, entry and exit, and innovation within various competitive environments.
- 3. Apply Economic Theories:** Students will apply key theories from industrial organization to real-world case studies, gaining practical insights into how businesses operate and compete in the market.
- 4. Evaluate the Role of Information:** The course will explore the significance of information, advertising, and product differentiation in shaping consumer behavior and market power.

Class Modality: This is a fully in-person course. Lectures will not be streamed nor recorded. All three exams will take place in person, during our scheduled class times. We will not have a cumulative final exam for this class; all exams are weighted equally.

Grading: Your course grade will be based on the following components: five homework assignments (7% each, totaling 35%), three 1-hour and 50-minute exams (20% each, totaling 40%, with the lowest score dropped), four attendance checks (5% total), and a presentation, which will account for 20%. Following the scale below:

A	92.00 – 100	C	72.00 – 77.99
A-	90.00 – 91.99	C-	70.00 – 71.99
B+	88.00 – 89.99	D+	68.00 – 69.99
B	82.00 – 87.99	D	62.00 – 67.99
B-	80.00 – 81.99	D-	60.00 – 61.99
C+	78.00 – 79.99	E	0 – 59.99

The scale listed above is firm. **Final course grades will not be rounded.** Students should assume that 91.99 is followed by an infinite number of nines and is an A-. The rest of the cut-offs follow accordingly.

Make-up assignments and exams will be arranged *only* for absences that are explicitly covered by the [UF Attendance Policy](#). Whenever possible, you should reach out at least five business days in advance to arrange a make-up assignment or exam. Of course, this will not always be possible. Unforeseen absences and emergencies occur and can be excused without such advance notice. In most cases, you will be asked to provide evidence or documentation of an absence that is explicitly excused by the [UF Attendance Policy](#). Absences related to religious holidays and worship do not require this documentation.

The above grading policies are consistent with UF policies regarding grade determination. This information can be found at: <https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx>

Exams (40%): There are three exams in this course; however, only the two highest scores will count towards your final grade. Your lowest-scoring exam will be automatically dropped. Each of the two counted exams will contribute 20% to your final grade. All three exams are closed book and will take place in our regularly assigned classroom. However, you are allowed to prepare an A4 sheet with formulas to assist you. Please note that concepts from the textbook should not be included on this sheet. You may use a basic four-function or scientific calculator. Graphing calculators are not permitted. If you are unable to attend the exam on the scheduled date, please email me **before** the exam date so we can arrange a makeup exam together. Unfortunately, requests made **after** the exam date cannot be accommodated.

Assignments (35%): There are five homework assignments in this course. You are encouraged to work with your classmates while completing these assignments. Working together can facilitate deeper learning of the course material and more efficient completion of the assignment itself. You must, however, turn in your own work. Submitting a classmates' work as your own is a violation of the UF Student Honor Code. **Late assignments will be accepted until I post the answer keys. After the answer keys are posted, submissions will no longer be accepted. Additionally, 20% deduction will be applied to any late submission.**

Participation (5%): We will have a total of four attendance checks throughout the course. In our second class, we will have a participant check-in. The primary goal is to learn your names and help me remember them. For two discussion classes, your in-person participation is required. During these sessions, I will walk around and note your names. If you are present, you will receive full points for participation. You can think of this as a participant check-in but approached in a more interactive way. The final attendance check will be conducted randomly.

Presentation (20%): Any topic related to Part 3 of the syllabus is acceptable for your presentation. You are free to choose your own team members, with each group consisting of 3 to 5 members. The presentation should be approximately 15 minutes long. Your group has the flexibility to decide whether one person will present or if all members will share the presentation. Detailed criteria for the presentation will be provided after Exam 1. The presentation is worth 100 points in total: I will assign up to 50 points, and the remaining 50 points will be determined by your peers. Each group member will rate the team's performance with a maximum of 50 points, and I will calculate the average of these ratings to add to my score.

The complete schedule of homework assignments is listed below:

<u>HOMEWORK</u>	<u>OPEN DATE AND TIME</u>	<u>CLOSE DATE AND TIME</u>
Homework 1	Thursday, 01/16, 8:00am	Thursday, 01/30, 11:59pm
Homework 2	Thursday, 02/06, 8:00am	Thursday, 02/20, 11:59pm
Homework 3	Thursday, 02/27, 8:00am	Thursday, 03/13, 11:59pm
Homework 4	Thursday, 03/13, 8:00am	Thursday, 03/27, 11:59pm
Homework 5	Thursday, 03/27, 8:00am	Tuesday, 04/15, 11:59pm

Professionalism and Honor Code: Students are bound to not cheat or plagiarize, and are bound by The Honor Pledge which states, “We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honor and integrity by abiding by the Honor Code. On all work submitted for credit by students at the University of Florida, the following pledge is either required or implied: ‘On my honor, I have neither given nor received unauthorized aid in doing this assignment.’”

You should familiarize yourself with the [UF Student Honor Code](#). Cheating and plagiarism are not the only violations of this policy. Making false or misleading statements to procure an improper academic advantage, failing to properly cite quotations, and unauthorized collaboration or consultation of resources are also violations. Importantly, ignorance of a policy is not a valid reason for violating it.

Generative Artificial Intelligence: The Department of Economics faculty assume that all work that is submitted for grading is written by the student whose name it bears, and that it represents their ideas and work. Accordingly, students are not permitted to use generative AI when completing assignments, quizzes, exams, or other graded work unless their instructor has expressly granted that permission. Unauthorized use of generative AI may constitute cheating

and/or plagiarism. Such violations of the UF Student Honor Code will be reported to the UF Dean of Students Office and will be subject to severe sanctions.

Students Requiring Accommodations: Students with disabilities requesting accommodations should first register with the Disabilities Resource Center (392-8565; <https://disability.ufl.edu/>), providing appropriate documentation. Once registered, students will receive an accommodation letter that can be presented to the instructor when requesting accommodations. Please register at the beginning of the course if seeking accommodations.

Course Evaluation: Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Students will be notified when the evaluation period opens, and can complete evaluations through the email they receive from GatorEvals, in their Canvas course menu under GatorEvals, or via ufl.bluera.com/ufl/.

UF Teaching Center: The UF Teaching Center offers guidance on study skills and tutoring services. You can find more information at: <https://umatter.ufl.edu/office/teaching-center/>.

Health Counseling and Emergencies:

U Matter, We Care:

If you or a friend is in distress, please contact umatter@ufl.edu or 352 392-1575 so that a team member can reach out to the student.

Counseling and Wellness Center: <http://www.counseling.ufl.edu/cwc>, and 392-1575; and the University Police Department: 392-1111 or 9-1-1 for emergencies.

Sexual Assault Recovery Services (SARS)

Student Health Care Center, 392-1161.

University Police Department at 392-1111 (or 9-1-1 for emergencies), or <http://www.police.ufl.edu/>.

Tentative Course Schedule

Week	Class Date	Class	Topic	Reading	Assignments
Part 1					
1	01/14/2025	Tuesday	Syllabus and overview		
2	01/16/2025	Thursday	Industrial organization and Basic Price	CH1 and CH 3.2	
	01/21/2025	Tuesday	Consumer and Producer side	CH 2.1, 2.4, 3.1, 3.3	
3	01/23/2025	Thursday	Demand estimation	CH2.2 and CH 2.3	
	01/28/2025	Tuesday	Discussion class		
4	01/30/2025	Thursday	Review class and Q&A		HW 1
	02/04/2025	Tuesday	No Class		
5	02/06/2025	Thursday			In class Exam 1
Part 2					
6	02/11/2025	Tuesday	Price discrimination 1	CH 6.1 and CH 6.2	
	02/13/2025	Thursday	Price discrimination 1	CH 6.3 and CH 6.4	
7	02/18/2025	Tuesday	Perfect and Competitive competition	CH 4.1 and CH 4.2	
	02/20/2025	Thursday	Oligopoly 1	CH 4.3	HW2
8	02/25/2025	Tuesday	Oligopoly 2	CH 8.1 and CH 8.2	
	02/27/2025	Thursday	Entry and market structure	CH 10.1	
9	03/04/2025	Tuesday	Discussion class		
	03/06/2025	Thursday	Review class and Q&A		
10	03/11/2025	Tuesday			In class Exam 2
Part 3					
11	03/13/2025	Thursday	Introduction of game theory 1	CH 7.1	HW3
	03/18/2025	Tuesday			
12	03/20/2025	Thursday		Spring break	
	03/25/2025	Tuesday	Introduction of game theory 2	CH 7.2 and CH 7.3	
13	03/27/2025	Thursday	Vertical Merge	CH 13	HW4
	04/01/2025	Tuesday	Horizontal merge	CH 11	
14	04/03/2025	Thursday	Market Failure	Class notes	
	04/08/2025	Tuesday	Innovation	CH 15	
15	04/10/2025	Thursday	Presentation 1		
	04/15/2025	Tuesday	Presentation 2		HW5
16	04/17/2025	Thursday	Review class and Q&A		
	04/22/2025	Tuesday			In class Exam 3