Instructor: Brian Chezum
Office: Hepburn 203 (Phone: X5426)
Email: chezum@stlawu.edu
Office Hours: 9:00 – 10:00 MWF
Class Schedule: 8:30 – 10:00 & 12:40 – 2:10 TT

Text: Modern Industrial Organization, Pearson, Addison-Wesley, 4th Edition. Other materials will be added at the instructors discretion.

Course Outline:
- Chap. 1 - Overview
- Chap. 2 - The Firm and Costs
- Chap. 3 - Competition
- Chap. 4 - Monopolies, Monopsonies, and Dominant Firms.
- Chap. 5 - Cartels
- Exam One (Tuesday, Feb. 18)
- Chap. 6 - Oligopoly
- Chap. 7 - Product Differentiation and Monopolistic Competition.
- Chap. 8 - Industry Structure and Performance.
- Chap. 9 - Price Discrimination.
- Chap. 10 - Advanced Topics in Pricing.
- Exam Two (Tuesday, April 1)
- Chap. 11 - Strategic Behavior.
- Chap. 12 - Vertical Integration and Vertical Restrictions.
- Chap. 13 - Information
- Chap. 14 - Advertising and Disclosure.
- Choice from Chapters 15, 16, 17 or 19.
- Exam Three (Thursday, May 8, @ 8:30 a.m.)

Exams: Each exam will be given a weight of 100 points in the final grade. The format of the exams will be essay and problems. Permission to miss an exam must be secured from the instructor in advance. Unexcused absences will result in a grade of zero for the exam. The format of any make-up exam is at the discretion of the instructor, and will only be given if prior permission to miss an exam is given. All special arrangements must be made with me prior to the exam.

Chapter Outlines: (50 points) You will be asked to turn in a chapter outline for each chapter that we cover from the text. This should be independent work. If your work is not independent of other students in either class, you will be given a zero for the chapter outline. If you are deemed to have copied more a second time, you will be given zero grade for this set of assignments. This is a place where you can substantially help or harm your final grade in the course. These will be due at the beginning of class on the assigned day, and you will be given zero for late work.

Term Paper: (100 points) Your assignment is to conduct an industry study of the oligopoly industry of your choice (no two students may choose the same industry). You will need to drop by my office to sign up for an industry. Remember the early bird gets the worm. An oligopoly industry is one in which the market is dominated by a small number of large firms. In so doing, review the history of the industry by explaining how the current structure (number of firms, size of large firms, ease of entry, degree of product differentiation) and performance (profits earned by firms, efficiency/gap between price and cost, rate of technological progress) of the industry came
to be using the theories and principles described in this class. The industry’s current performance may be impacted by government policy such as a regulation or antitrust action, technology, strategic behavior, or some other influence. Explain how and why firms and/or the market are influenced, and how this in turn impacts the static and dynamic efficiency of the market.

The paper should be eight to twelve pages long (2000 to 2500 words) and should consist primarily of economic analysis based on what you have learned in class. You may include graphs in the paper. A complete list of references should be included at the end of the paper. Footnotes are to be included as needed. Your text book should be one of your main references. On-line plagiarism checking tools will be used to check your paper for plagiarism. You are strongly encouraged to discuss your paper with me as you progress toward its completion however I will not review preliminary drafts.

The paper is due (both a print and an electronic copy) Wednesday, April 23 at 4:00 p.m. Late papers will be penalized 10 points for each day they are late.

Possible topics include but are not limited to:

- Airline industry
- Computer game systems
- Oil refining
- Microprocessor chips
- Soft drinks
- Beer
- Motion picture production
- Automobile manufacturing
- Rental cars
- Fast food franchisors
- Computer manufacturing
- Pharmaceutical manufacturing
- Paper manufacturing
- Airplane manufacturing
- Brokerage services
- Book (other than textbook) publishing
- Auto Parts
- Banking
- Health insurance
- Long-distance telecommunications
- Cigarettes
- Digital music players
- Breakfast cereal
- Large kitchen appliances
- Discount department stores
- Television service
- Agricultural Seed
- Casino Gaming
- Regional Grocery Retail
- Textbooks
- Sports and Fruit Drinks
- Cell Phones/Cell Service
- Regional Gasoline Markets

**Attendance:** Attendance is not required, but is expected and strongly recommended.

**Cheating:** Cheating will not be tolerated, anyone caught cheating will be punished to the full extent outlined in the student handbook. I will recommend that you receive a minimum punishment of a 0 grade in this course if you are deemed guilty of academic dishonesty. Because of the team nature of the industry study assignment, if you are deemed guilty of plagiarism on this assignment, I will recommend that you be expelled from the university.
**Grading:** The final grade will be given based on a total of 450 available points discussed above. Dividing your point total for the semester by 450 will convert your total to a 100 point scale. The following grading scale will be used as a basis for final grades. I can assure you that the grading scale will be no stricter then this.

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This scale reflects the fact that I believe that a student should be able to score at least 55% of the possible points to pass a class. This threshold will not be changed.