



Industrial Organization

■ **Course meetings.** Mondays 9:00pm to 11:30pm, Room KMC 7–191 (Stern). First meeting: September 14. Last meeting: November 30 (12 meetings).

■ **Course description and learning goals.** This is a course in the Graduate Industrial Organization (IO) sequence. It covers the core of IO theory as well as some topics. Although references will be made to empirical work, the course does not focus on empirical techniques in IO. I have designed the course to be a complement to the other IO-related courses being taught this year (this Fall by Boyan Jovanovic and in the Spring by Petra Moser).

■ **Course outline.** The topics developed in the course include: Introduction and overview; Price discrimination; Static and dynamic oligopoly competition (tacit collusion and cartels); Strategic behavior, entry and exit: entry deterrence, predatory pricing, mergers; Corporate reputation; Estimating and modeling product differentiation; Consumer behavior: search costs, switching costs, and behavioral models; Networks and two-sided markets; Innovation and learning by doing.

■ **Required course materials.** I will follow several chapters of Tirole, Jean, *The Theory of Industrial Organization*, MIT Press, 1988. I will also cover a series of original papers and distribute some lecture notes. Those not familiar with IO may also consult my “baby Tirole” textbook, *Introduction to Industrial Organization*, MIT Press, 2nd Edition, forthcoming.

■ **Course requirements.**

1. Participation: in some cases I will ask you to read a paper before the class when it will be presented and discussed.
2. Referee report: An important aspect of doing research (and for that matter of a successful academic career) is the ability to evaluate work — most important your own, but also others’. I will ask you to write a report on one of the papers presented either at the IO day held at NYU on September 18, 2015; or on one of the papers presented at the IO seminar; or on another paper that you previously agree with me.
3. Research Proposal: Soon you will be starting dissertation research; now is the right time to start mulling over ideas. To encourage you to do this I will require a research proposal of around five pages. Use this to look for topics that excite you for your dissertation.

■ **Course outline.** The following is an estimate of what topics I will cover. Depending on how fast (or how slowly) I go through these topics, I may change the precise schedule.

1. **September 14**
Basic oligopoly theory
2. **September 21**
Product differentiation
3. **September 28**
Collusion
4. **October 5**
Asymmetric information
5. **October 12**
Consumer search
6. **October 19**
Reputation and trust
7. **October 26**
Market structure
8. **November 2**
Market foreclosure
9. **November 9**
Computational dynamics
10. **November 16**
Learning-by-doing
11. **November 23**
Network effects and two-sided markets
12. **November 30**
Competition and innovation