ECO 7341
Theory of Industrial Organization
Fall, 2014.

Instructor:
Santanu Roy, Professor of Economics, SMU.
Office: 301-L Umphrey Lee Center, SMU.
Tel: 214 768 2714; Fax: 214 768 1821
E-mail: sroy@smu.edu
Web-page: http://smu.faculty.edu/sroy/index2.html
Office Hours: Mondays & Wednesdays, 10 - 11.30 AM & by appointment.
Lectures: Tuesday & Thursday, 2 - 3.20 PM, Room-303, Umphrey Lee.

Introduction.
Industrial Organization (I.O) is primarily concerned with the causes and consequences
of market power, the strategic behavior of firms in markets and the links between firm
behavior, market structure and the economic performance of markets. This is course is
part of a two-course sequence in I.O. directed towards Ph.D. students in economics who
have completed their core requirements for candidacy. Successful completion of these two
courses will meet the graduate field requirement in I.O. This course will focus on a few
important topics in I.O. theory and introduce students to the various research questions,
modeling approaches, basic results as well as some exciting new developments in these
areas.

Objectives:
1. Explain the research methods, theoretical approaches and questions in the frontiers
of industrial organization.
2. Discuss basic results and recent research developments in the field.

Expected Background:
It is expected that students taking this course will be proficient in graduate level micro-
economic theory and basic game theory.

Textbook:

Supplementary Texts:
Industrial Organization: Markets and Strategies by Paul Belleflamme and Martin Peitz,
Handbook of Industrial Organization, Volume 3 (Mark Armstrong and Robert Porter,
**Home Assignments:**
Home assignments may be given out from time to time. It is expected that students will work on these assignments on their own.

**Paper Presentations:**
Students will be assigned papers (or chapters from books) for presentation in class.

**Examination:**
A written (in class) mid-term examination and take home final examination.

**Evaluation:**
Final grade will be assigned on the basis of performance in the midterm exam (40%), take home final exam (40%) and paper presentations (20%).

**Tentative List of Topics (not in any order & not all may be covered):**
5. Mergers.
6. Vertical Relationships; vertical foreclosure.
7. Industry Dynamics.
Disability Accommodations: Students needing academic accommodations for a
disability must first be registered with Disability Accommodations & Success Strategies
(DASS) to verify the disability and to establish eligibility for accommodations. Students
may call 214-768-1470 or visit http://www.smu.edu/ALEC/DASS to begin the process.
Once registered, students should then schedule an appointment with the professor to make
appropriate arrangements.

Religious Observance: Religiously observant students wishing to be absent on
holidays that require missing class should notify their professors in writing at the beginning
of the semester, and should discuss with them, in advance, acceptable ways of making up
any work missed because of the absence. (See University Policy No. 1.9.)

Excused Absences for University Extracurricular Activities: Students participat-
ing in an officially sanctioned, scheduled University extracurricular activity should be given
the opportunity to make up class assignments or other graded assignments missed as a re-
sult of their participation. It is the responsibility of the student to make arrangements
with the instructor prior to any missed scheduled examination or other missed assignment
for making up the work. (University Undergraduate Catalogue)