

ECON 433, Industrial Organization

Dr. Kevin Hasker

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Professor:	e-mail:	Room:	Hours
Kevin Hasker	hasker@bilkent.edu.tr	AZ25a	MO, WE, TH 12:30-13:20
Class		T-268	MO 15:30-17:20 TH 10:30-11:20

1 Course Description

Economics is a difficult science. Since we study sentient creatures our analysis is studied by our subjects. In Industrial Organization this is true with a vengeance. Billions of TL might be earned by studying this material and figuring out how to beat it.

This means that any results we derive must be considered with a healthy dose of common sense. Furthermore there may be competing models (for example the Cournot and Bertrand models) that result in radically different predictions. We must learn how to wade through these vagaries, always remembering that your classmate may be studying this material in order to make all the predictions false.

2 Assessment:

Assignment	Number	Weight
Midterm	1	35%
Final	1	35%
Quizzes	6	30%

All assignments are cumulative, with no more than a third on previous material. Students who do assignments will have their average increased to 85 (if necessary) by adding points to every student's total. Grading will then be based on the standard scale: 90's A/80's B/70's C/60's D. The adjusted scores of many students will be over 100 on each assignment. Traditionally to get an A (instead of A-) one needs an adjusted average of over 100%. I determine all +/- breaks when submitting grades.

I do not give FX. I will give an FZ to anyone who does not have a total of 35 by the last day of classes. It is extremely likely that I will give some students an F or FZ in this class.

2.1 Textbooks and Other Readings:

Lynne Pepall, Dan Richards, George Norman; Industrial Organization: Contemporary Theory and Empirical Applications, 5th Edition (Electronic book available.)

Other required materials will be posted on the class web page.

2.2 Course Schedule

1. Week of MO September 15, 2025:: Structure, Efficiency, "Welfare" and Indeterminacy Chps 1,2,3,5,9,10

2. Week of MO September 22, 2025:: Continues topic.
3. Week of MO September 29, 2025:: Market power, reasons and measures. Chps 3,4
4. Week of MO October 6, 2025:: Price discrimination, Chp 6.
5. Week of MO October 13, 2025:: Topic continues, Quiz on TH
6. Week of MO October 20, 2025:: Oligopoly, 3 models, Chps 9,10, Quiz on TH
7. Week of TH October 30, 2025 (short week):: Topic continues, Quiz on TH
8. Week of MO November 3, 2025:: Midterm week, review and makeup.
9. Week of TU November 11, 2025 (short week):: Dynamic Models and Implicit collusion, Chp 11
10. Week of MO November 17, 2025:: Topic continues
11. Week of MO November 24, 2025:: Entry deterrence and Predation, Chp 12
12. Week of MO December 1, 2025:: The IP/Internet economy. Chps 20,21, Quiz on TH
13. Week of MO December 8, 2025:: Topic continues, Quiz on TH
14. Week of MO December 15, 2025:: Horizontal Mergers, Chp 15, Quiz on TH
15. Week of MO December 22, 2025:: Vertical Mergers, Chp 16

3 The Fairness Clause:

I make and follow rules and do not make exceptions.

1. Syllabus as Contract: This syllabus is my contract with the students. Any changes will be announced in class and by e-mail.
2. Talking in class: I can give surprise quizzes, and in extreme cases cancel class.
3. Cheating: Points are only given for work shown and there are multiple versions of each test. I will penalize students (a little) for behavior that could lead to cheating, and may assign seating.
4. Make-Ups: Make up exams and quizzes will be harder than the original and the average will not be adjusted to 80. I may make an exception if the student contacts me before the time of the quiz or exam.
5. Grade Discussions: All grade related discussions must be in writing.