COURSE OUTLINE

I. Catalog Description

EC 440 Industrial Organization (4)

Evaluation and analysis of government regulation of the private sector aimed at creating a more competitive economy. 4 lecture/presentations. Prerequisites: EC 201 and EC 202.

II. Required Background or Experience

EC 201 and EC 202.

III. Expected Outcomes

Students in EC 440 will:

a) analyze economic models that describe and explain anti-competitive behavior of firms in the private sector,

b) examine U.S. antitrust laws and application of these laws,

c) review selected antitrust legal cases to gain an understanding of the economic impact of government efforts to increase competition in the market place,

d) analyze and evaluate the successes and failures of government anti-trust regulatory policies, and

e) employ economic analysis to analyze the law, apply the law and interpret the law.

IV. Text and Readings

Texts:


Industrial Organization


**Readings:**


Stelzer, I. *Selected Antitrust Cases* (Homewood, IL: Irwin, 1986).


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V. Minimum Student Materials

Textbooks, notebooks, and access to library reference and personal computers.

VI. Minimum College Facilities

Classroom for lecture/presentations equipped with computer and audio-visual equipment.

VII. Course Outline

A. Introduction to Antitrust

1. Efficiency and Technical Progress
2. Oligopoly, Collusion, and Antitrust
3. Market Structure and Strategic Competition
4. Mergers
5. Vertical Mergers and Restrictions
6. Monopolization and Price Discrimination

B. Economic Regulation

1. Theory of Natural Monopoly
2. Natural Monopoly Regulation
3. Franchise Bidding and Cable Television
4. Public Enterprise

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5. Dynamic Issues in Natural Monopoly Regulation: Telecommunications
6. The Regulation of Potentially Competitive Markets: Theory and Estimation
7. Economic Regulation of Transportation: Surface Freight and Airlines
8. Economic Regulation of Energy: Crude Oil and Natural Gas

C. Health, Safety, and Environmental Regulation
   1. Social Regulation
   2. Valuing Life and Other Nonmonetary Benefits
   3. Environmental Regulation
   4. Regulation of Workplace Health and Safety
   5. Product Safety

D. Antitrust Law
   1. Sherman Act
   2. Clayton Act
   3. Law and Economics

VIII. Instructional Methods

Lecture/presentations of assigned text chapters and readings. Active student participation and preparation are required. Each student is assigned to a research team that investigates and analyzes the competitive structure of a particular industry with respect to economic and legal criteria. Students will pursue economic literature research, interviews of industry and government representatives, and relevant legal statutes. Students will submit individual papers on their contribution to the research team.

IX. Evaluation of Outcomes

Students will be evaluated in three areas. Each student will:

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  a) complete midterm and final essay and problem-solving examinations,
  b) write their section analysis of the research project, and
  c) participate in class discussions.