

Objective: By the conclusion of this course, students will be expected to have a solid understanding of the microeconomic fundamentals of production, the various market structures that stem from them, and the strategic decisions that firms may face. Furthermore, students should be able to apply this understanding in order to analyze the effectiveness and welfare implications of different “real-world” strategies.

Text: *Industrial Organization: Contemporary Theory and Practice* by Pepall, Richards, and Norman, 3rd edition (2nd edition imperfect match, but also works)

Newspaper: *The Wall Street Journal* (student rate through class ordering, includes web version)

Class meetings: 1:00-2:30 on Mondays and Wednesdays, Eliot 102.

Office Hours: 10:00-12:00 Tues, 2:30-4:30 Wed, and by appointment in McMillan 248.

Website: <http://artsci.wustl.edu/~moul/undergios08.html> (or thru <http://moul.wustl.edu>)

Phone: 935-5836

E-mail: moul@artsci.wustl.edu

TA: Aleks Yankelevich (anyankel@artsci.wustl.edu)

Office hours: 2:30-4:30 Mondays and by appointment in McMillan 331

Responsibilities: Your course grade will depend upon six factors.

A. I will give five homework assignments throughout the semester. Your four highest scores of these will compose 20% of your course grade (5% each).

B. There will be a midterm exam on Wednesday March 5. It will count towards 20% of the course grade.

C. Towards semester end, I will assign a 5-8 page essay that will ask you to research and analyze a particular question. It will count towards 15% of the course grade.

D. There will be a substantial amount of discussion regarding current events (hence the WSJ). Class participation will count towards 10% of the course grade.

E. The final exam will be on the last day of class (Monday April 23). It will count towards 25% of the course grade.

F. Finally, we will begin a computer simulation of firm behavior (the Competitive Strategy Game) on January 28. The class will be divided into two games, with each game having (roughly) five teams of four. Each team represents a firm. On each Monday, your team will be called upon to make decisions on prices, quantities, capacities, and entry/exit. One team member will submit a brief analysis of the competitive environment and the firm's strategy. As I expect the game to last twelve weeks, each team member will be asked to write three (or so) analyses. On the following Wednesday, you will learn how your firm performed and prepare for the coming Monday's decisions. Your team's overall performance will count towards 5% of the course grade, and your individual analyses will count towards another 5% of your grade. We will spend the second lecture going over the rules of the game before play begins.

Pass/fail: You must have my prior permission to take this course pass/fail.