
Winter 2024
ECON 4301 A – Market Structure and Firm Behavior
Department of Economics
Carleton University

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1 Course Information

Instructor: Konstantinos Metaxoglou
Office: D-893 LA
Phone: 613-520-2600 (EXT. 3755)
E-mail and website: <https://brightspace.carleton.ca/>
Lectures: Monday & Wednesday, 8:35am–9:55am
Office hours: TBA

Course and Tutorial Locations: Log into Carleton Central to view the location on your timetable.

2 Preclusions and Prerequisites

Precludes additional credit for ECON 4300 (no longer offered). Prerequisite(s): ECON 2030 with a grade of C- or higher or ECON 2003 (no longer offered) with a grade of C- or higher. Students who believe they have taken a similar background course or courses from another university must provide appropriate documentation to the Department of Economics Undergraduate Administrator.

3 Course Description

The course is an introduction to industrial organization (IO). At a very high level, IO studies industry structure and firm behavior when the assumptions of perfect competition do not hold. We will review and extend some basic results for monopoly and study the strategic interaction among

a small number of firms and how such interaction affects market outcomes. Examples of the topics that we will cover include price discrimination, product variety, price and quantity competition, entry, collusion, and mergers. We will also discuss how we can evaluate market outcomes, and how public policy affects market structure and firm behavior.

4 Learning Outcomes

The students are expected to develop understanding of basic IO models of firm behavior and interaction in market structures that depart from perfect competition.

5 Recommended Textbook

L. Peppall, D.J. Richards and G. Norman (2008), *Industrial Organization, Contemporary Theory and Empirical Applications*, 5th Edition, Willey.

6 Course Outline

The course outline below is tentative. The topics covered may change during the term depending on how the class evolves. The extent and coverage of each topic will depend on time availability.

1. Introduction/Basic Microeconomics
2. Market Structure/Technology and Costs
3. Monopoly: Linear Pricing
4. Monopoly: Non-Linear Pricing
5. Monopoly: Product Variety
6. Bundling and Tie-in Sales
7. Static Games
8. Dynamic Games
9. Repeated Games and Collusion
10. Mergers

7 Evaluation

Each student's grade will be calculated using the following instruments and weights:

Instrument	Weight
1st mid-term exam	25%
2nd mid-term exam	25%
Final comprehensive exam	50%
Total	100%

Mid-term exams: The 80-minute in-person mid-term exams will take place on Feb-14 [8:35am–9:55am] and Mar-27 [8:35am–9:55am]. Note that these are tentative dates. If you miss a mid-term exam for a documented compelling reason, the assigned weight will be added to the final exam. No makeup mid-term exams will be offered. Note also that you are allowed to miss only 1 mid-term exam and have its weight added to the final exam.

Final comprehensive exam: The 3-hour in-person final exam will take place during the formal exam period at a time and location set by the university. Students who do not write the final exam due to circumstances beyond their control may apply to write a deferred final exam. In order to write a deferred final exam, students must contact the Registrar's Office (for further details, see Section 4.3 of the Academic Regulations of the University in the Undergraduate Calendar). In the event that a student writes a deferred exam, the deferred exam will carry the same weight as the final exam in determining the course grade.

Note: Every week, I will provide practice problems that will help you understand better the material covered in the lectures and prepare for the mid-term and final examinations.

8 Satisfactory Performance Criteria

Students must fulfill all of the preceding course requirements in order to achieve a passing grade (D- or higher). Failure to write the final examination when the student has achieved satisfactory performance during the term will result in a grade of "F" until an appeal to write the deferred final exam, if granted by the Registrar's Office. A change of grade will be submitted when the deferred final exam has been written and the marks are available. See Academic Regulation 2.3 for the official meanings of the grades, and note that it stipulates that no course grades are final until approved by the Faculty Dean. Application to write a deferred final examination must be made at the Registrar's Office in writing no later than three working days after the original final

examination was scheduled.

9 Regrading

Students seeking reappraisal of their graded assignment or mid-term examination should contact the instructor within a week after they receive their grades. Students are required to send e-mail to the instructor with the subject “ECON 4301-REQUEST FOR REGRADING” explaining the reason(s) for requesting a reappraisal of their graded work.

Note: Reappraisals that do not conform to this standard will not be considered.

10 Plagiarism

Please be aware that plagiarism is serious offense at Carleton and should be recognized and avoided. For further information on how to do so, please refer to “Academic Integrity and Offenses of Conduct” [here](#).

11 Requests for Academic Accommodation

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

Pregnancy obligation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website [here](#).

Religious obligation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website [here](#).

Academic Accommodations for Students with Disabilities

If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or pmc@carleton.ca for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two

weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made. For more information, see [here](#).

Survivors of Sexual Violence

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and its survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, see [here](#).

Accommodation for Student Activities

Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more information, see [here](#).

For more information on academic accommodation, please contact the departmental administrator or see [here](#).