

Economics 510           Advanced Microeconomic Theory  
Instructor               Professor Biglaiser  
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Office Hours            T&TH 11:00-12:00 and by appointment

Theme of the Course: The focus of this course is on competition policy. This will involve the objectives of competition policy, the theoretical framework needed to analyze markets, and case studies. We will examine competition policy both from a U.S. and EU point of view. Basic differential calculus will be used in the course.

Grading Criteria: There will be a midterm and a final exam. The midterm will account for 30% of your grade; the final will account for 45%. The remaining 25% will be for the group presentation of a case, class participation, and mini case quizzes. All students will be expected to have read the case before class. I will occasionally suggest problems that you should do outside of class that will be helpful for the exam. You are responsible for both the material presented in class and the assigned reading. The midterm is on 3 March. No makeup exams will be given.

Reading Material. *Competition Policy: Theory and Practice* by Motta, *The Antitrust Revolution* edited by Kwoka and White (KW) and other material.

#### Outline of Course

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- I. Introduction (Motta Ch 1 and 2.1-2.5)
  1. History of Competition Policy
  2. Objectives of Competition Policy
- II. Monopoly (Motta 8.1-8.2)
- III. Static Game Theory and Basic Oligopoly Theory (Motta 8.3-8.4.2)
- IV. Will Markets Fix it all (Motta 2.6)
- V. Market Definition and Assessment of Market Power (Motta 3.1-3.3.1)
- VI. Dynamic Game Theory (Motta 8.4.3-8.5)
- VII. Collusive and Horizontal Agreements (Motta Ch 4 cases 11 and 12 from KW))
- VIII. Horizontal Mergers (Motta Ch 5 and cases 3, 4, and 7 from KW)
- IX. Vertical Restraints and Vertical Mergers (Motta Ch 6 and cases 15 and 16 from KW)
- X. Predation, Monopolization and other Abusive Practices (Motta Ch 7 and case 20 from KW)