

Professor: Jannet Chang

Office: Global Hub Room # 3197; Tel: 847.491.8219,

Email address: jannet@northwestern.edu

Office hours: Monday 11AM-12PM and by appointments.

Teaching assistant: TBA

Lecture: MW 9:30-10:50AM @Harris Hall L07

Discussion section: Friday 9:30-10:30AM @Harris Hall L07

Textbook:

(Required) Economics of Regulation and antitrust, 4th Ed., by Viscusi, Harrington, and Vernon (MIT press, 2005)

(Required) The antitrust revolution, 6th Ed., edited by Kwoka and White (Oxford university press, 2014)

Course website: Canvas is your on-line resource for the class. Please check the website at least twice a week for announcements, assignments, and grades.

Description of the course:

Although economic principles praise the power and efficiency of competitive markets, we do not live in such a perfect world where government intervention is minimal. Many aspects of our lives are affected by the presence of government regulation. This course will take you to an economic world where the government plays a major role via antitrust regulation and laws. By applying microeconomic theory, we study issues associating with imperfect competition resulted from certain firm behavior and market structures. We will then discuss the economic rationale of antitrust and government regulations. Antitrust cases will also be studied to supplement the theories discussed in class.

Grades and Exams: The break-downs of your grades are:

Midterm (<i>Wed, Oct. 24</i>)	25%
Comprehensive Final (<i>Thur, Dec. 13, 3-5PM</i>)	35%
Five graded problem sets	20%
Group project (draft + critique 5%+ final version 10%)	15%
Mini-presentation and classroom discussion	5%
<hr/> Total	<hr/> 100%

Grading is curved, based on total points earned on exams, problem sets, and the group project. Pluses and minuses will be used for this course. No extra credits will be given on a personal basis.

Exams: Attendance at exams is mandatory. There is no make up exam for this class. If you must miss a midterm exam, you are required to inform me before exam time with a documented excuse by an independent source. Failing to do so will result in a zero point on your exam. If your absence is approved, the weight of the missed midterm will be put on the final exam. No one is allowed to miss the final exam. The midterms will be administered during class on **Thursday, Oct. 25**. The final will begin at **3PM** on **December 13**, as listed on Northwestern's published final exam schedule. The final will cover all materials taught in the class. These exam dates are final. Jot down these dates now and check your class schedule for conflicts before you decide to take this class.

2. Problem sets:

Five problem sets will be given on a weekly or biweekly basis. They all are due before class starts on the due dates (see the table for due dates). You are allowed to work with another student in class on the problem set, in which case, you turn in one copy together. No late homework will be accepted for any reason.

	Due date
Problem Set 1	Oct. 12
Problem Set 2	Oct. 19
Problem Set 3	Nov. 9
Problem Set 4	Nov. 16
Problem Set 5	Nov. 30

3. Group project:

By the end of the second week, you will be able to look up on Canvas to find out your group assignment. You will work with your group to complete an economic analysis of a current state or local government policy. The project, consisting of one paper and one critique, is based on an approved topic of your choice. The due date for the **draft** of your paper is **Nov. 21** (*Week 9*) and the due date for the **final version** of your paper is **Dec. 7** (*Week 11*). The **critique** is due on **Nov. 28** (*Week 10*). Guidelines and more details for the project will be provided later in the quarter.

Attendance: Attendance is not mandatory but it is expected. No lecture notes or slides will be posted online. You are responsible for everything covered in class, including material not in the book and not in the notes posted on Canvas. If you miss all or part of a class, it is your responsibility to track down notes or any other information you may have missed.

Academic Integrity: Cheating is not tolerated in this class. Anyone found cheating on any test will receive a zero for that test. Any academic integrity violation will also be reported immediately to the Dean's office for academic discipline.

Students with disabilities: Any student with a verified disability requiring special accommodations should speak to the course instructor and to AccessibleNU (847.467.5530) as early as possible in the quarter, preferably within the first two weeks of the course. All discussions will remain confidential.

Course Outline: This outline is subject to change.

I intend to cover eight chapters in the VHV textbook. The lectures follow the economic theory and discussions in the book closely. The KW book contains benchmark antitrust cases supplementary to the topics discussed throughout the quarter; it is also your main source for your group project. The table below shows the topics to be covered in this class and their associated chapters in the VHV book.

Week	Topic	VHV
1	Introduction to antitrust	3
2-3	Theory of industrial organization: efficiency	4
3-4	Theory of industrial organization: oligopoly and collusion	5
5-6	Theory of industrial organization: market structure and strategic competition <i>Midterm (Wed, Oct.24)</i>	6
6-7	Horizontal merger	7
7-8	Vertical merger and vertical restraints	8