Greetings, and welcome to Industrial Organization! This course focuses upon the nature of firms and industries (groups of firms), as organizations of each society’s factors of production. We begin our study with a discussion of the history of market structures and their evaluation, including the history of capitalism and industrial revolution. This background will enable us to assess the relative strengths and weaknesses of any firm’s situation, and enable us to understand the extent to which the government needs to be involved in helping firms and industries produce according to our efficiency criteria. I am also interested in our reflections upon each firm’s relationship with the community and with the natural environment, and the philosophical and economic aspects of innovation and evolution of our standards of living. In greater generality, enhanced awareness of the nature of industrial organization enables each of us to better understand the contributions we intend to make to a firm and an industry, and the dollar value the market will place upon those contributions. I look forward to teaching this course, and I welcome you to call upon me any time you feel I could be helpful; my goal is to be considered among the most accessible instructors on campus. Bon voyage!

RIT is committed to providing reasonable accommodations to students with disabilities. If you would like to request accommodations such as special seating or testing modifications due to a disability, please contact the Disability Services Office. It is located in the Student Alumni Union, Room 1150; the website is https://www.rit.edu/studentaffairs/disabilityservices/. After you receive accommodation approval, it is imperative that you see me during office hours so that we can work out whatever arrangement is necessary.

**Course Requirements:**

- Midterm Exam #1 25%
- Midterm Exam #2 25%
- Midterm Exam #3 25%
- Exam #4 (Final) 25%
  
100%
Examinations:

We will have three midterm exams and a final exam. The first exam will be given in class on Monday, September 24; the second exam will be given in class on Monday, October 22; and the third exam will be given in class on Monday, November 19. The final exam is scheduled by the Institute for Friday, December 14, 8am, in our regular classroom. The second and third exams will not be cumulative; however, the final exam will be cumulative. You may only bring a “$15” calculator to the examinations—which is to say, a scientific calculator like a TI-30XIIS that does not have graphing, wireless, or keyboard functions. I intend to discuss materials in Carlton and Perloff Chapters 1-11, 19, and 16; Landes and Posner Chapters 1-3, 11, 13 and 14; and multiple research journal articles listed below in the “References beyond the Text”. The examinations will comprise essays and problems, and will strictly span the materials we discuss in class. Thus, it is crucial to have a complete set of lecture notes. I strongly encourage you to exchange greetings and contact information soon with at least one other person in this class (before the end of the first week of classes), so that you may call upon that person for a copy of the lecture notes, should you need to miss a class for any reason. Please note that while I am eager to discuss your questions regarding the exam materials, my deadline for discussing exam materials is 5PM the evening before each exam. Sample exam questions will be posted at https://mycourses.rit.edu/index.asp, our course website. Lastly, please note that if we determine that a make-up exam is appropriate, that exam will almost surely be an oral exam.

Course Grades:

Course grades will be determined as follows:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Plus/Minus Equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>93-100</td>
<td>A</td>
</tr>
<tr>
<td>90-92</td>
<td>A-</td>
</tr>
<tr>
<td>85-89</td>
<td>B+</td>
</tr>
<tr>
<td>80-84</td>
<td>B</td>
</tr>
<tr>
<td>75-79</td>
<td>B-</td>
</tr>
<tr>
<td>70-74</td>
<td>C+</td>
</tr>
<tr>
<td>65-69</td>
<td>C</td>
</tr>
<tr>
<td>60-64</td>
<td>C-</td>
</tr>
<tr>
<td>50-59</td>
<td>D</td>
</tr>
<tr>
<td>&lt;50</td>
<td>F</td>
</tr>
</tbody>
</table>

Borderline scores (e.g., 78.75 or 89.4) will be considered for rounding upward to the next highest plus/minus equivalent according to one’s degree of class participation, submission of practice problems for my review, and attendance at Gosnell Lectures.
In addition to our textbook materials, please plan to read as many of the following documents as time permits. At a minimum, please read the documents indicated with stars. The documents are listed in the approximate order of their appearance in our class discussions; each journal article is available on-line at the Wallace Library website.

The Nature of the Firm (Carlton and Perloff, Chapter 2):


*Smith, Adam (1776). Wealth of Nations, Chapters 1 and 2. [https://www.gutenberg.org/files/3300/3300-h/3300-h.htm](https://www.gutenberg.org/files/3300/3300-h/3300-h.htm).


Perfect Competition: Some references to early US legal/economic thought, with implications for globalizing IO today and tomorrow (Chapter 3).


Oligopoly (Chapter 6)


Industry Structure and Performance (Chapter 8)


Strategic Behavior (Chapter 11, Appendix A): Tying, Bundling, and Network Externalities


Antitrust Laws and Policy (Chapter 19)


Patents and Technological Change (Chapter 16):


