Instructor: Tomas Sjöström, New Jersey Hall 301C, 932-7363, email: tsjostrom@economics.rutgers.edu.

Time and Location: We 11:30 - 12:50 and Fri 1:10 - 2:30 in Scott Hall 121.

Office Hours: We 1:30-2:30, NJ Hall 301C


Learning Goals and Assessment: The objective of this course is to familiarize the students with classic topics in Industrial Organization theory, and the most important theoretical contributions to these topics. At the end of the course, the students should have a sufficient understanding of this field to be able to produce their own independent research. A term paper is required; it must be presented in class before the end of the semester. (It must relate to a topic discussed in class, and it must be new work; it is not permissible to recycle a term paper from another class).

Course Outline

PART A: Contract Theory

A1. Moral Hazard
B&D Ch. 4

A2. Teams and Tournaments
B&D Ch. 8

A3. Incomplete Contracts
B&D Ch. 11&12

A4. Adverse Selection
B&D Ch. 2&3

A5. Mechanism Design
B&D Ch 7

A6. Financial Contracts
B&D Ch. 5

PART B: Strategic Behavior in Markets (preliminary)

B1. Market breakdown
B&D Ch. 13

B2. Strategic substitutes and complements

B3. Entry deterrence
B&D Ch. 13

B4. Collusion

B5. Networks and switching costs
B&D Ch. 13