

Spring 2017, Gasson 201

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Course Description: We study the behavior of firms and the structure of industries, applying game theory to understand the strategic interaction of firms when the assumptions of perfect competition break down. The course combines theoretical micro-economic analyses with studies of actual firm behavior in individual industries. Topics include pricing, game theory, collusion, entry deterrence, outsourcing, auctions, and adverse selection. The course will incorporate insights from developments in behavioral economics and consider regulation for consumer protection.

Prerequisites

Professional Standards: Please be on time and no parallel processing (no laptops, cellphones, tablets..).

Policy on Problem Sets

1.



Week	Date	Lecture Topic	Text Book Reading		Other Reading	Assignments Due
			5 <sup>th</sup> Edition	4 <sup>th</sup> Edition		
8.	Mar 14	13. Three-part tariffs; bill shock			Grubb 2012 "Dynamic Nonlinear Pricing..." Tremblay Table 14.3 p 401 and 14.3.3 pp 412-415	
	Mar 16	14. Beta-delta discounting				
9.	Mar 21	15. Paying not to go to the gym			DellaVigna & Malmendier 2006 "Paying Not to Go to the Gym"	
	Mar 23	16. Review lectures 13-15			Recitation for HW	Problem set 5
10.	Mar 28	17. Welfare and pricing for real consumers			Grubb 2015 "Overconfident Consumers in the Marketplace"	
	Mar 30	18. Welfare and pricing for real				

