Reading lists for Economics 616 (Industrial Organization II):

Starred (*) readings are required for class, they will be on reserve in the reading room at 368 Heady Hall (Economics and Sociology Library). Readings marked (J) should be available from JSTOR (http://www.jstor.org). Readings marked (W) are available on the Web from the indicated URL. Handouts and other readings will be made along the way. The following web resources have links to useful materials:

1. Economics of Networks by Nick Economides: (http://raven.stern.nyu.edu/networks/)
3. Supreme Court Antitrust Debates: (http://www.ripon.edu/faculty/bowenj/antitrust/INTRO.htm)
5. Presentation Tips by Matthew O. Jackson (http://masada.hss.caltech.edu/~jacksonm/present.pdf)
6. Writing Tips by Kwan Choi (http://www.ag.iastate.edu/journals/rie/how.htm)

Journal Abbreviations are:

AER - American Economic Review
BJE (RJE) Bell Journal of Economics (Rand Journal of Economics)
Ecta - Econometrica
IJIO - International Journal of Industrial Organization
JET - Journal of Economic Theory
JIE - Journal of Industrial Economics
JLE - Journal of Law and Economics
JPE - Journal of Political Economy
QJE - Quarterly Journal of Economics

1. Regulation overview

   AER 74, 279-300. (J)
Joskow and Noll, "Regulation in Theory and Practice: An Overview," in
   in Handbook of Industrial Organization, (Vol. 2) North-Holland.

2. Regulation of prices and entry: Ramsey pricing

*Train, Ch. 4;
   AER 60, p. 265-82. (J)

3. Regulation of prices and entry: peak load pricing

*Sherman, Ch. 4;

4. The core, convex games, and sustainability

*Sharkey, Ch. 4-5;

5. Rate-of-Return Regulation

*Train, Chapter 1, 3;
*Courville, 1974, Regulation and Efficiency in the electric utility industry," BJE 5, 53-74;
Economic Review, Vol. 52, p. 1053-1069;
American Economic Review, Vol. 60, p. 117-125;
Spann, 1974, "Rate of Return Regulation and Efficiency in Production: An Empirical Test 
Das, 1980, "On the Effect of Rate of Return Regulation under Uncertainty," 
replies by Das, pp. 357-8, and Peles, pp. 359-60.

6. Regulation with asymmetric information

*Baron and Myerson, 1982, Regulating a Monopolist with Unknown Costs, Ecta 50, p911-930.
Sappington, 1983, "Optimal Regulation of a Multiproduct Monopolist with Unknown 
Sappington and Sibley (1988): "Regulating without cost information: The incremental surplus 
Lewis and Sappington (1988): Regulating a Monopolist with Unknown Demand, AER, 986-88.

7.1 Franchise bidding for natural monopolies (if time permits)

*Zupan, 1989, "The Efficacy of Franchise Bidding Schemes in the Case of Cable TV: Some 

Pager, 1990, "Firm Behavior in Franchise Monopoly Markets," Rand Journal of 
Williamson, 1976, "Franchise Bidding for Natural Monopoly - In general and with Respect 
to CATV," BJE, p. 73-104
Posner, 1972, "The Appropriate Scope of Regulation in the Cable Television Industry," 

7.2 Environmental regulations (if time permits)

D. Spulber (1988): Bargaining and regulation with asymmetric information about demand 
and supply, JET 44, 251-268. (Hongli Feng will present this)
Spence and Weitzman (1977): Regulatory strategies for pollution control, in Friedlaender
8. Antitrust overview


9. Comparative statics of oligopoly


Shapiro, C. (1989): Theories of Oligopoly Behavior, Chapter 6 in Handbook of IO.

10. Collusion


11. Price fixing


CASE: United States v. Addyston Pipe & Steel Company et al., 85 Fed. 271 (6th Cir. 1898).


12. Merger conditions and structural stability


13. Welfare effects of mergers, exits, and entries


of entry, JIE, 317-332.
Presented in the 98 EARIE meeting at University of Copenhagen.
Smythe and Zhao (2001): The optimal market structure in an asymmetric Cournot model, 
In progress, Department of Economics, Iowa State University.

14. Resale price maintenances and exclusive dealing (if time permits)

*Callini and Winter, 1983, On Vertical Control in Monopolistic Competition, IJIO, 275-86.