

# Topics in Empirical Industrial Organisation

## Syllabus (tentative)

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### 1 Organization

Instructor: Vitaly Titov

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Lectures: Monday (15:40), Wednesday (14:00) and Friday (15:40), for 2 hours, room to be specified

### 2 Course Description

#### 2.1 Purpose

The main purpose of this class is to introduce students to questions and methods of empirical Industrial Organisation: applied study of firm behaviour.

#### 2.2 Goals

- Introduce some of the main questions in modern Industrial Organisation
- Outline a few of the key empirical frameworks to address these questions
- Develop ability to critically read, present and discuss academic papers

#### 2.3 Coursework

For the successful completion of the class, it would be required to:

- Read papers for each class
- Actively participate in class discussions

- Complete several computationally-involved homeworks (in groups up to 3)
- Present a paper in class (class size permitting)

## 2.4 Prerequisites

- Knowledge of basic economic models of imperfect competition
- Basic knowledge of econometrics, especially OLS and IV (MLE and GMM are a strong plus).
- Ability to program in some language (or willingness to learn it)
- Ability to prepare documents and presentations in L<sup>A</sup>T<sub>E</sub>X (or willingness to learn it)

## 3 Course outline

**Note:** this is a tentative schedule and is subject to change.

Papers marked with “\*” are to be read before class.

Papers marked with “+” are to be presented by students in class.

### Sep. 5th, Introduction and Demand Estimation-1

- \* J. D. Angrist and J.-S. Pischke, “The Credibility Revolution in Empirical Economics: How Better Research Design Is Taking the Con out of Econometrics,” *Journal of Economic Perspectives*, vol. 24, pp. 3–30, June 2010
- \* A. Nevo and M. D. Whinston, “Taking the Dogma out of Econometrics: Structural Modeling and Credible Inference,” *Journal of Economic Perspectives*, vol. 24, pp. 69–82, June 2010
- \* L. Einav and J. Levin, “Empirical Industrial Organization: A Progress Report,” *Journal of Economic Perspectives*, vol. 24, pp. 145–62, June 2010
- E. J. Working, “What Do Statistical ”Demand Curves” Show?,” *The Quarterly Journal of Economics*, vol. 41, no. 2, pp. 212–235, 1927
- K. Graddy, “Markets: The Fulton Fish Market,” *Journal of Economic Perspectives*, vol. 20, pp. 207–220, June 2006

### Sep. 7th, Demand Estimation-2

- A. Deaton and J. Muellbauer, “An Almost Ideal Demand System,” *The American Economic Review*, vol. 70, no. 3, pp. 312–326, 1980

- + J. Hausman, G. Leonard, and J. D. Zona, “Competitive Analysis with Differentiated Products,” *Annales d’Economie et de Statistique*, no. 34, pp. 159–180, 1994
- + S. Chaudhuri, P. K. Goldberg, and P. Gia, “Estimating the Effects of Global Patent Protection in Pharmaceuticals: A Case Study of Quinolones in India,” *American Economic Review*, vol. 96, pp. 1477–1514, December 2006

### **Sep. 10th and 12th, Demand Estimation-3**

- S. Berry, J. Levinsohn, and A. Pakes, “Automobile Prices in Market Equilibrium,” *Econometrica*, vol. 63, no. 4, pp. 841–890, 1995
- + A. Nevo, “Measuring Market Power in the Ready-to-Eat Cereal Industry,” *Econometrica*, vol. 69, no. 2, pp. 307–342, 2001
- + N. H. Miller and M. C. Weinberg, “Understanding the Price Effects of the MillerCoors Joint Venture,” *Econometrica*, vol. 85, no. 6, pp. 1763–1791, 2017

### **Sep. 14th, Entry Models-1**

- \* N. G. Mankiw and M. D. Whinston, “Free Entry and Social Inefficiency,” *The RAND Journal of Economics*, vol. 17, no. 1, pp. 48–58, 1986
- T. F. Bresnahan and P. C. Reiss, “Entry and Competition in Concentrated Markets,” *Journal of Political Economy*, vol. 99, no. 5, pp. 977–1009, 1991

### **Sep. 17th, Entry Models-2**

- \* M. J. Mazzeo, “Product Choice and Oligopoly Market Structure,” *The RAND Journal of Economics*, vol. 33, no. 2, pp. 221–242, 2002
- + S. T. Berry and J. Waldfogel, “Free Entry and Social Inefficiency in Radio Broadcasting,” *The RAND Journal of Economics*, vol. 30, no. 3, pp. 397–420, 1999
- S. T. Berry, “Estimation of a Model of Entry in the Airline Industry,” *Econometrica*, vol. 60, no. 4, pp. 889–917, 1992

### **Sep. 19th, Entry Models-3**

- + F. Ciliberto and E. Tamer, “Market Structure and Multiple Equilibria in Airline Markets,” *Econometrica*, vol. 77, no. 6, pp. 1791–1828, 2009

- + K. Seim, “An Empirical Model of Firm Entry with Endogenous Product-Type Choices,” *The RAND Journal of Economics*, vol. 37, no. 3, pp. 619–640, 2006
- M. Draganska, M. Mazzeo, and K. Seim, “Beyond plain vanilla: Modeling joint product assortment and pricing decisions,” *Quantitative Marketing and Economics (QME)*, vol. 7, no. 2, pp. 105–146, 2009

### **Sep. 21st, Single Agent Dynamics**

- J. Rust, “Optimal Replacement of GMC Bus Engines: An Empirical Model of Harold Zurcher,” *Econometrica*, vol. 55, no. 5, pp. 999–1033, 1987
- \* I. Hendel and A. Nevo, “Intertemporal Price Discrimination in Storable Goods Markets,” *The American Economic Review*, vol. 103, no. 7, pp. 2722–2751, 2013
- + M. Kalouptsi, “Time to Build and Fluctuations in Bulk Shipping,” *The American Economic Review*, vol. 104, no. 2, pp. 564–608, 2014

### **Sep. 24th (tentative), TBD Papers on Varied Topics**