

## Topics in Empirical Industrial Organization

**Course description and requirements:** The course is dealing with an empirical analysis of IO. It includes 14 lectures and 6 seminars. The final grade will be based on the final written exam. Two problem sets will include both theoretical and practical questions and they will be distributed biweekly starting from the second week. The knowledge of IO and Applied Econometrics is preferred but is not required. The teaching language of the course is English.

**Readings:** Readings will mostly be taken from the list below. The copies of papers will be available in the library. Some papers are likely to be added or dropped as we go.

### Course plan

#### **Topic 0. Introduction (Estimation Techniques in Empirical IO)**

##### **Topic 1. Oligopoly empirics**

Borenstein, S. and A. Shepard (1996) "Dynamic pricing in Retail Gasoline Markets," *Rand Journal of Economics*, 27, 429-451

Ellison, G. (1994) "Theories of Cartel Stability and the Joint Executive Committee," *Rand Journal of Economics*, 25, 37-57

Slade, M. (1987) "Interfirm Rivalry in a Repeated Game: An Empirical Test of Tacit Collusion," *Journal of Industrial Economics*, 35, 499-516

##### **Topic 2. Productivity and Costs**

Christensen, L. and W. Greene (1976) "Economies of Scales in U.S. Electric Power Generation," *Journal of Political Economy*, 655-676

Olley, G. and A. Pakes (1996) "The Dynamics of Productivity in the Telecommunications Equipment Industry," *Econometrica*, 64, 1263-1297

Evans, D. and J. Heckman (1984) "A test for Subadditivity of the Cost Function with and Application to the Bell System," *American Economic Review*, 9, 615-623

##### **Topic 3. Differentiated Product Markets**

Nevo (2001) "Measuring Market Power in the Ready-to-Eat breakfast Cereal Industry," *Econometrica*, 69, 307-342

Berry (1994) "Estimating Discrete Choice Models of Product Differentiation," *Rand Journal of Economics*, 242-262

##### **Topic 4. Price Discrimination**

Aguirregabiria, V. (1999) "The Dynamics of Markups and Inventories in Retailing Firms," *Review of Economic Studies*, 66, 275-308

Shepard A. (1991) "Price Discrimination and Retail Configuration," *Journal of Political Economy*, Spring, 30-53

Goldberg, P. (1996) "Dealer Price Discrimination in New Car Purchases: Evidence from the Consumer Expenditure Survey," *Journal of Political Economy*, 104 (June): 622-654

### **Topic 5. Entry and Exit**

Berry, S. (1992) "Estimation of a Model of Entry in the Airline Industry," *Econometrica*, 60, 889-917

Bresnahan, T. and P. Reiss (1990) "Entry in Monopoly Markets," *Review of Economic Studies*, 57, 531-553

Dunne, T., M. Roberts and L. Samuelson (1988) "Patterns of Firm Entry and Exit in U.S. Manufacturing Industries," *Rand Journal of Economics*, 19, 495-515

### **Topic 6. Contracts**

Chiappori, P. and B. Salanie (2000) "Testing for Asymmetric Information in Insurance Markets," *Journal of Political Economy*, 108, 56-78

Joskow, P. (1987) "Contract Duration and Relationship-Specific Investments: Empirical Evidence from Coal Markets," *American Economic Review* 77(1): 168-185