ECONOMICS 220C

EMPIRICAL METHODS IN INDUSTRIAL ORGANIZATION

Syllabus

This course covers research methods in applied empirical industrial organization. The primary focus will be on the use of econometric analysis and data both for descriptive and measurement purposes, and to test the predictions of economic theories. Papers that demonstrate the various methods will be discussed in detail with an emphasis on data, sources of identification, and estimation techniques. In some cases, familiarity with theoretical concepts covered in 220A will be helpful; however, such knowledge is not assumed and the important points will be covered in class.

Course Time: Tuesday, 2:00-4:00 PM in 639 Evans

Office Hours: Wednesday, 2:15-4:00, or by appointment, 653 Evans Hall.

Web Page: http://emlab.berkeley.edu/~bhhall

Course Requirements:
Students are expected to read all required readings before each class and to attend all classes as class participation is important. Requirements include applied exercises, an empirical research paper, and class participation. There will be no final exam.

Course Grading:
40% 2-3 Problem Sets
40% Empirical Research Paper (abstract by March 1; paper due May 3).
20% Class Participation

Late problem sets and papers will not be accepted. No exceptions.

We will not follow any particular text. The following books are recommended as references and background reading. Tirole and the Handbook are particularly helpful for filling in gaps in theoretical knowledge.


The reading list given below is intended for your future reference as well as the course and includes more than we will cover in the course. The most important (i.e., required) readings are starred.
Provisional Course Outline

1. Introduction and overview (Jan. 18, 25)

2. Production, technology, and cost functions (Feb. 1, 8, 15)
   Berndt, Ernst. 1991. The Practice of Econometrics, Chapters 3 and 9, Addison-Wesley.
3. Demand estimation and hedonics (Feb. 15, 22)


4. Short-Run Price/Quantity Competition in Homogenous-Products Industries (Mar. 2, 16)


5. Short-Run Price/Quantity Competition Differentiated-Products Industries (Apr. 6, 13)


6. Price Discrimination (Apr. 20)

7. Standards and Network Externalities (Apr. 27)


8. Entry and Industry Structure (May 3, 10)


9. Advertising