



**Exclusion:** [ECO380H5](#)

**Prerequisite:** [ECO200Y5/204Y5/206Y5](#);

[ECO220Y5/227Y5/STA\(250H1,257H5\)/STA\(257H5,261H5\)/STA\(257H5,248H5/258H5\)](#)

**Limited Enrolment**

- 2 -

Prerequisites are strictly checked and enforced and must be completed before taking a course. By taking this course you acknowledge that you will be removed from the course at anytime if you do not meet all requirements set by the Department of Economics. For further information you can consult the Undergraduate Academic Handbook which is found in the Economics Department Office, Kaneff Center Room 121. It can also be found in the 2008-2009 Courses Calendar which is available from the Registrars Office.

**Due Dates and Grade Allocation:**

|                                 |     |
|---------------------------------|-----|
| Assignment 1 (October 21, 2008) | 10% |
| Term Test 1 (November 18, 2008) | 20% |
| Assignment 2 (January 27, 2009) | 10% |
| Term Test 2 (March 3, 2009)     | 20% |
| Final Exam                      | 40% |

**LECTURES**

Students will be responsible for all the material presented at each lecture. Students should be advised that much of the material covered at the lectures will be additional to the required readings and the power point slides. So just because the material does not appear on the posted slides does not mean it is unimportant or cannot be included in the term tests and final examination. All of the lecture material, slides and required readings is eligible for inclusion in the term tests and final examinations.

**READINGS**

Students will be responsible for the readings from the Text. Many of the required readings from the Text and articles may not be covered in the limited time available for lectures. This does not mean these readings are

unimportant or cannot be included in the term tests and final examination. All of the lecture material, slides and required readings is eligible for inclusion in the term tests and final examinations.

## **TERM TESTS**

Only one make-up test will be scheduled for the fall - winter term. This makeup test will be administered from 3 to 5 PM, Tuesday, April 7, 2009. This makeup test will cover all the lectures, readings and slides for the entire course period. Whether or not the test missed for valid medical reasons was Test I or Test II, all students will only be eligible to write this one scheduled makeup test. Please note. The makeup test is worth 20%. This means that if any student misses more than one term test, even if there are valid medical grounds in both instances of the missed tests, the makeup test that the student is eligible to write is still only worth 20%. Eligibility to write this makeup test is available only to students who have submitted valid medical grounds on the medical absence Form recognized by the Economics Department.

- 3 -

## **ASSIGNMENTS**

Please note. Assignments will be subject to a deduction of 5% per day of lateness.

## **ACADEMIC MISCONDUCT**

Students should note that copying, plagiarizing, or other forms of academic misconduct will not be tolerated. Any student caught engaging in such activities will be subject to academic discipline ranging from a mark of zero on the term paper, test or examination to dismissal from the university as outlined in the academic handbook. Any student abetting or otherwise assisting in such misconduct will also be subject to academic penalties.

Please note. Assignments will be subject to a deduction of 5% per day of lateness. One make-up test will be scheduled per term available only to students who have submitted medical grounds on the medical absence form prescribed by the Economics Department.

## **ANNOUNCEMENTS**

Please make it a habit of checking the Economics Department website for current announcements regarding courses (i.e. class cancellations). The website is as follows:

**TEACHING ASSISTANT:**

Teaching assistant hours and email information will be posted on the economics website at <http://www.utm.utoronto.ca/academic/eco/TARoom.htm>

**COURSE LOCATION**

NE 134

**COURSE TIME**

**TUESDAYS 3:00PM to 5:00PM**

**Detailed Course Outline:**

**September 9, 2008 INTRODUCTION**

**Besanko Chapter 1**

|                 |            |               |
|-----------------|------------|---------------|
| Church and Ware | Chapter 1  | pp. 3 – 7     |
|                 |            | pp. 10 – 12   |
|                 | Chapter 2  | pp. 19 – 20   |
|                 | Chapter 19 | pp. 599 – 603 |
|                 | Chapter A2 | pp. 895 – 897 |

– 4 –

**September 16, 2008 PERFECT COMPETITION**

**Besanko Chapter 6**

|                 |           |             |
|-----------------|-----------|-------------|
| Church and Ware | Chapter 1 | pp. 7 – 9   |
|                 | Chapter 2 | pp. 20 – 28 |
|                 | Chapter 3 | pp. 48 – 62 |

**September 23, 2008 MONOPOLY**



**October 28, 2008**

**OLIGOPOLY – Differentiated Products  
– Monopolistic Competition**

**Besanko**

**Chapters 6 and 11**

Church and Ware

Chapter 11  
Chapter 23

pp. 367– 379  
pp. 722 – 725

**November 4, 2008**

**OLIGOPOLY – Differentiated Products  
– Address Models**

Church and Ware

Chapter 11

pp. 379 – 404

**November 11, 2008**

**OLIGOPOLY – Differentiated Products  
– Brands**

**Besanko**

**Chapter 13**

Church and Ware

Chapter 11  
Chapter 16  
Chapter 18

pp. 404 – 414  
pp. 555 – 556  
pp. 575 – 593

**November 18, 2008**

**TERM TEST I**

**November 25, 2008**

**OLIGOPOLY – Extensive Game Models  
- First Mover Advantage**

**Besanko**

**Chapter 12**

Church and Ware

Chapter 10  
Chapter 13  
Chapter 15

pp. 348 – 355  
pp. 467 – 478  
pp. 525 – 540

**December 2, 2008**

**OLIGOPOLY – Extensive Game Models  
– Potential and Actual Competition**

**Besanko**

**Chapters 9 and 10**

Church and Ware

Chapter 4  
Chapter 13  
Chapter 14  
Chapter 21  
Chapter 23

pp. 111 –130  
pp. 478 – 481  
pp. 485 – 519  
pp. 643 – 662  
pp. 725 - 732

**SECOND TERM**

**January 6, 2009**

**Besanko**

Church and Ware

**VERTICAL MARKETS**

**Chapters 3 and 4**

Chapter 3 pp. 62 – 76  
Chapter 16 pp. 550 – 551

**January 13, 2009**

**Besanko**

Church and Ware

**VERTICAL CONTRACTS**

**Chapters 15 and 16**

Chapter 20 pp. 625 – 640  
Chapter 22 pp. 688 – 690  
pp. 711 – 715

**January 20, 2009**

Church and Ware

**VERTICAL CONTRACTS – Exclusive Dealing**

Chapter 22 pp. 704 – 707

**January 27, 2009**

Church and Ware

**Assignment II**

**VERTICAL CONTRACTS – Tying and Bundling**

Chapter 16 pp. 551 – 552  
Chapter 22 pp. 696 – 704

**Due**

**February 3, 2009**  
**Maintenance**

Church and Ware

**VERTICAL CONTRACTS – Resale Price**

Chapter 22 pp. 690 – 696  
p. 711

**February 10, 2009**

Church and Ware

**VERTICAL CONTRACTS – Exclusive Territories**

Chapter 22 pp. 690 – 696

**February 17, 2009**

**READING WEEK**

**February 24, 2009**

Church and Ware

**VERTICAL CONTRACTS – Integration**

Chapter 3 pp. 76 – 94  
Chapter 22 pp. 683 – 688

**March 3, 2009**

**TERM TEST II**

**March 10, 2009**

**ASYMMETRIC INFORMATION – THE FIRM**

Church and Ware

Chapter 3  
Chapter 16

pp. 94 – 102  
pp. 554 – 555

**– 7 –**

**March 17, 2009**  
**Discrimination**

**ASYMMETRIC INFORMATION – Price**

Church and Ware

Chapter 5  
Chapter 25

pp. 155 – 179  
pp. 810 – 821

**March 24, 2009**

**ASYMMETRIC INFORMATION – Oligopolies**

Church and Ware

Chapter 6

pp. 193 – 207

**March 31, 2009**

**ASYMMETRIC INFORMATION – Vertical Contracts**

**April 7, 2009**

**Review**