

ECO107 ANTITRUST AND REGULATION
UNIVERSITY OF CALIFORNIA AT SAN DIEGO
SUMMER TERM II 2013
SYLLABUS

Lectures: Mondays and Wednesdays from 6:00pm to 8:50pm in WLH 2115

Professor:

Dr. Michael Noel: Office: TBA
Office Hours: Mondays 5:00pm-5:50pm
Email: mdnoel@ucsd.edu

The Course

This is a course on antitrust and economic regulation. First, we discuss the economic theory that should guide antitrust laws of the United States and discuss the actual current and historical antitrust laws and key antitrust cases in the context of underlying economic theory. Secondly, we discuss the costs, benefits, methods, and outcomes of economic regulation from a theoretical standpoint, and then examine the actual U.S. experience in a large number of industry case studies.

Required Textbook

Viscusi, Vernon, & Harrington Jr. Economics of Regulation and Antitrust, 4th ed.
Cambridge, MA: MIT Press, 2005.

Grading

There will be one term test (40% of the total grade) held in class on Monday, August 26th and one final exam (60%) held during the final exam period (check the class schedule for time and location). If you have other plans on those dates, then you should not take the course. (Be aware that missing even one class can be difficult to recover from.) The only allowable reasons for missing a test or exam is a medically documented and unexpected illness on test day, a death in the family immediately preceding test day, or as permitted under the university policy on religious observances, disabilities, and UCSD athletics conflicts. There are no other exceptions so please check your schedules well in advance. For religious observances, disabilities, and UCSD athletic conflicts, notice must be given two weeks in the first week of class and alternate arrangements will be made. For illness, you must provide within one week of the test date a note from a physician stating that he/she evaluated you the same day as the test and that your illness reasonably prevented you from taking the test. For a death in the immediate family, provide documentation within two weeks.

If you do have a valid excuse to miss the term test, there will be no makeup and your grade will be based 100% on the final exam. If you miss the final exam, you will be given a grade of incomplete if your midterm is of passing quality and an F if it is not (as required under university grading policies). Therefore if you miss both exams, you will receive an F. If you receive a grade of incomplete, you will take a new final before the end of the following quarter at a time directed by the professor.

Note that if you start taking a test, the test counts. Under no circumstances can you have your test result not count (for illness or otherwise) after you have started taking it. Also note that the professor or t.a. cannot pre-approve requests to miss an exam for illness (for example, a student does not feel well but comes to the start of the exam to ask permission not to have to take it), but rather a note from a licensed physician is required.

The test and exam are closed book. You do not need blue books. Exams are 100% electronics free. No calculators (you do not need them), no cell phones, no iPods, no headphones, etc., no electronics of any kind in the exam hall. Also, no sunglasses or hats are permitted on test days. The final exam is cumulative, but heavily weighted to material from the second half of the course.

The marking scheme set out here cannot be amended for individual students. A student may not have a poor result excused, or make up for it by doing extra assignments, taking makeup exams or any other kind of additional work. All requests for exceptions must be denied. So be sure to do the problem sets thoroughly and be prepared for the test and exam.

Any regrade requests for the test or exam must be submitted in writing one week after the exam is returned to the class, with an explanation of the specific dispute written on a separate sheet of paper and attached to the front of the exam. The entire exam, start to finish, will then be regraded and your grade may go up or down. Be aware that exams, at the discretion of the professor, are photocopied prior to being returned to students the first time to eliminate the possibility of a student altering an exam (in serious violation of academic integrity rules) before resubmitting.

Problem Sets

There are no problem sets during the summer session.

Academic Dishonesty

There is a zero tolerance policy in this class for academic dishonesty. Any student found guilty of academic dishonesty will receive an F in the course. If you are unsure what constitutes academic dishonesty, please ask or consult with your college dean. In all cases, the student's name and test or exam will be immediately forwarded to the Academic Integrity Office, who will impose an additional penalty, up to and including expulsion from the university. Please do not even *consider* doing this. It is not worth it!

Some Friendly Advice

Summer courses move very fast! We cover a week's worth of material every class. That's two weeks of material over a three day period (Monday – Wednesday). It is imperative to stay on top of the material after every class.

Topics

Students are responsible for all readings listed below (including appendices unless otherwise stated.)

A. Introduction. Ch. 1, 2 (all references are to Viscusi, Vernon, and Harrington Jr. text)

B. Antitrust

I. Introduction to Antitrust. Ch. 3

II. Oligopoly Models and Cartels. Ch. 5 (except Appendix A), Ch. 6.

III. Horizontal Mergers. Ch. 7

IV. Vertical Mergers and Restrictions. Ch. 8

V. Monopolization and Price Discrimination. Ch. 9

C. Economic Regulation

I. Introduction to Economic Regulation. Ch. 10, 11

II. Electricity. Ch. 12

III. Cable Television. Ch. 13

IV. Telecommunications. Ch. 15

V. Surface Freight and Airlines. Ch. 17

VI. Oil and Gas. Ch. 18