

ECON 345
Public Policy Towards Business
Fall 2021

Section Number: 345.001
Department: Economics
Lecture Times: MWF 1:25am-2:15pm
Classroom: Peabody 1040
Prerequisites: ECON 101 and ECON 310 or 410

Instructor: Garrett Scott
Email: gaescott@live.unc.edu
Office Hours: T 4:00pm-5:00pm & Th 3:30pm-4:30pm or appointment (all via Zoom)
Office: Gardner 413
Website: Sakai

1. Course Description

Why is it that airplane tickets get more expensive on the day of the flight, but Broadway tickets get less expensive on the day of the show? Why did the Justice department not allow Office Depot and Staples to merge? Would consumers be better off if they could purchase cable channels individually? In this course, we will use some basic mathematical concepts to help us answer important questions about how businesses behave and, more practically, how government regulation works.

2. Course Goals and Key Learning Objectives

- Develop an analytical toolkit that allows us to examine strategic choices by firms and how those choices impact consumers
- Use real world examples to examine how the US government has handled actual antitrust cases

3. Course Resources

Optional Text: *The Antitrust Revolution: Economics, Competition and Policy*
(optional readings assigned from 7th edition)

Authors: Kwoka and White
ISBN-13: 978-0190668839

Optional Text: *Industrial Organization: Contemporary Theory and Empirical Applications*
(optional readings assigned from 5th edition but any addition should work)

Authors: Pepall, Richards and Norman
ISBN-13: 978-1118250303

4. Course Requirements

If you have questions about course materials or course procedures, there are a variety of ways to get help:

- Always check the syllabus first as 90% of course procedure questions are answered in this document
- Use the office hours (first person explanations are the best and most efficient way to get your questions answered)
- If for some reason you cannot get your questions answered during scheduled office hours, please feel free to setup an individual appointment with me or send an email. I will typically respond to emails within 24 hours during the week. If you have not received a response in 48 hours, please resend the email.

5. Course Grades

In-Class Activities/Attendance (5%): We will frequently do in-class activities directly related to the material we are covering. These activities serve to reenforce the material and take the place of traditional attendance. The activities will be completed in groups during class and graded only for completion. A portion of the lowest (incomplete) in-class activity scores will be dropped.

Problem Sets (15%): You will have six problem sets throughout the course and are permitted to work together to complete them. The problem sets will be available on Sakai at least one week prior to the due date. **Problem set submission deadlines will be at 11:59pm on the due date.**

Problem sets are designed to prepare you for quizzes and exams. Because quizzes and exams make up 70% of your grade, it is important that you take these problem sets seriously. The lowest problem set score will be dropped.

Group Assignment (10%): The last section of the course will be student-led presentations of antitrust cases. You will be assigned to a group of four or five students. A substantial number of cases are available in the Kwoka and White textbook. I will post additional cases on Sakai.

We will discuss the presentation requirements in greater detail as it nears, but in general each student will be required to speak for 4-5 minutes. The group is expected to cover the more important portions of the antitrust cases and economic issues raised by all parties.

Quizzes (20%): There will be four 30-minute online quizzes (via Sakai) on

1. **Wednesday, September 8th,**
2. **Wednesday, October 6th,**
3. **Wednesday, October 20th,** and
4. **Wednesday, November 10th.**

Your second lowest quiz grade will replace your lowest quiz grade.

Midterm Exam (20%): There will be a 1-hour midterm on **Wednesday, September 22nd**.

Final Exam (30%): The 3-hour final exam will take place during the exam period on **Saturday, December 4th at 12:00pm**. It will be *cumulative* in the sense that all material from the first lecture to the last lecture is fair game.

Grading: This table shows the minimum grade you must achieve for each raw score. I reserve the right to curve grades up if I see fit. This means that a 77% will never earn you less than a C+, but I might decide that students with a 77% actually deserve a B- or a B.

Grade	A	A-	B+	B	B-	C+	C	C-	D+	D	F
Percent	93-	90-	87-	83-	80-	77-	73-	70-	67-	60-	<60
Range	100	92.99	89.99	86.99	82.99	79.99	76.99	72.99	69.99	66.99	

6. Course Policies

Late/Missed Work Policy

Problem sets are due at 11:59pm on the date specified. Due dates and times of assignments are firm. No late work will be accepted after the due date; however, you are always welcome to turn in your assignments early.

Quizzes and Exams

All quizzes and exams will be open book and open note. Memorization is not a valuable skill and will not be emphasized in this course. The quizzes and exams will challenge you to apply the concepts you have learned in class and via the homework assignments.

Because the lowest quiz score is replaced, there will be no makeup quizzes. Additionally, there will be no makeup or early exam given for any reason whatsoever. If you miss the midterm and present me with a valid and documented excuse **in advance**, your final exam will comprise of 50% of your final grade. If you have an illness, are participating in a University-sanctioned activity, or the assignment falls on a major religious holiday that has the potential of affecting your performance, your absence will be excused. Where applicable, you must provide documentation from a coach or doctor. The scenarios above are broad but do not cover all acceptable excused absences. I reserve the right to excuse an absence, in which case your final exam will be re-weighted. If you miss an exam for any reason, you should contact me and we can decide on an appropriate course of action going forward.

The final exam is mandatory and will be given at the scheduled time. The UNC Undergraduate Bulletin provides specific and narrow exceptions to this rule. If you believe you qualify for one of these exceptions, you will need to work with the Dean's office and/or Academic Advising in order to reschedule the exam.

Regrade Policy

Regrade requests can be submitted in writing for up one week after the assignment grades have been returned. If you feel that your work has been graded unfairly or incorrectly (this includes errors with grade entry or addition of points), you must justify why you believe your response deserves more points. By submitting a regrade request, you acknowledge that your entire assignment will be regraded and your grade may increase or decrease. All regrades are final.

Accessibility Resources and Service Office

The University of North Carolina – Chapel Hill facilitates the implementation of reasonable accommodations, including resources and services, for students with disabilities, chronic medical conditions, a temporary disability or pregnancy complications resulting in difficulties with accessing learning opportunities. All accommodations are coordinated through the Accessibility Resources and Service Office. In the first instance please visit their website: <http://accessibility.unc.edu>, Tel: 919-962-8300, or Email: accessibility@unc.edu. A student is welcome to initiate the registration process at any time; however, the process can take time. If you are established with ARS, and will require appropriate academic accommodations, please contact me after class, during office hours, or by individual appointment.

Academic Integrity

As a student of the University of North Carolina you are expected to behave in accordance with the school's honor code. Plagiarism, forgery, unauthorized collaboration, and the use of unauthorized materials are only some of the behaviors that I will not tolerate in this course. If you have any uncertainties about any of your work, please approach me before an assignment's due date. I take academic integrity very seriously and will not hesitate to report any instance where I feel academic integrity has been compromised, either intentionally or unintentionally.

The Instrument of Student Judicial Government can be found here:

<https://studentconduct.unc.edu/sites/studentconduct.unc.edu/files/documents/Instrument.pdf>

Title IX Resources

Any student who is impacted by discrimination, harassment, interpersonal (relationship) violence, sexual violence, sexual exploitation, or stalking is encouraged to seek resources on campus or in the community. Please contact the Director of Title IX Compliance (Adrienne Allison – Adrienne.allison@unc.edu), Report and Response Coordinators in the Equal Opportunity and Compliance Office (reportandresponse@unc.edu), Counseling and Psychological Services (confidential), or the Gender Violence Services Coordinators (gvsoc@unc.edu; confidential) to discuss your specific needs. Additional resources are available at safe.unc.edu.

Community Standards in Our Course and Mask Use

This fall semester, while we are in the midst of a global pandemic, all enrolled students are required to wear a mask covering your mouth and nose at all times in our classroom. This requirement is to protect our educational community — your classmates and me — as we learn together.

7. Course Schedule

As far as possible, the dates of all examinations and due dates for important assignments are listed here. There may be changes to the schedule, including due dates and exam dates. These changes will be announced as early as possible.

Optional reading assignments are given for the week and relevant to the material taught in class.

PRN = Pepall, Richards, and Norman. This book is slightly more advanced than necessary but provides good written explanations for concepts we cover. The class lectures and slides are a guide to what topics are important within each PRN chapter.

KW = Kwoka and White. This is a book consisting of different antitrust cases. Each case is examined by an economist who worked directly on the case. There are some technical parts that we will skip. Our focus will be on the central economic ideas that they highlight. This will be a critical tool in connecting the models we develop in class to real world applications.

Week	Dates	Topics	Items Due	Optional Readings
1	8/16 8/18 8/20	Introduction Math Review		PRN: Ch. 1 KW: Intro
2	8/23 8/25 8/27	Review Competition/Monopoly - -		PRN: Ch. 2 KW: pg. 1-7
3	8/30 9/1 9/3	- - Monopoly Pricing	Problem Set 1	PRN: Ch. 5-6
4	9/6 9/8 9/10	No Class – Labor Day - -	Quiz 1	PRN: Ch. 8
5	9/13 9/15 9/17	- - -	Problem Set 2	
6	9/20 9/22 9/24	Catch Up/Review Exam Bundling	Midterm	
7	9/27 9/29 10/1	Game Theory - Oligopoly	Problem Set 3	PRN: Ch. 9.1-9.3 KW: pg. 7-9
8	10/4 10/6 10/8	- - -	Quiz 2 Case Preferences	PRN: Ch. 9.4-9.6 KW: pg. 9-13
9	10/11 10/13 10/15	- - -	Problem Set 4	PRN: Ch. 10.1-10.2 KW: pg. 13-20
10	10/18 10/20 10/22	- Oligopoly Extensions No Class – Fall Break	Quiz 3	PRN: Ch. 3
11	10/25 10/27 10/29	- - Cartels/Collusion		PRN: Ch. 11.1
12	11/1 11/3 11/5	- - Mergers	Problem Set 5	PRN: Ch. 11.2-11.3
13	11/8 11/10 11/12	- - Presentations	Quiz 4	PRN: Ch. 12 & 14
14	11/15 11/17 11/19	- - -	Problem Set 6	
15	11/22 11/24 11/26	- No Class – Thanksgiving No Class – Thanksgiving		
16	11/29 12/1	- Catch Up/Review – LDOC		
17	12/4	Exam (12:00pm)	Final Exam	