

SIMON FRASER UNIVERSITY

S.85-4

MEMORANDUM

To.....Members of Senate.....

From. Office of the Dean of Graduate Studies

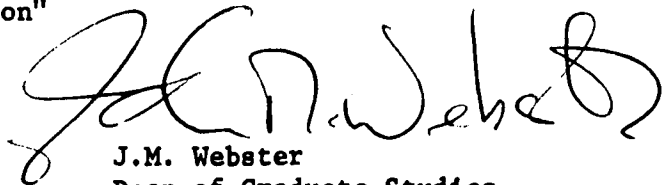
Subject New Graduate Course, Econ 825-4.....

Date.....December 18, 1984.....

Action undertaken by the Executive Committee, Senate Graduate Studies Committee at its Meeting on December 17, 1984, gives rise to the following motion:

MOTION:

"That Senate approve and recommend approval to the Board of Governors, as set forth in S.85-4, the proposed new graduate course, Econ 825-4 - Industrial Organization"



J.M. Webster
Dean of Graduate Studies.

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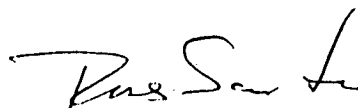
SIMON FRASER UNIVERSITY

MEMORANDUM

To..... J.M. Webster Dean Graduate Studies	From..... Ross Saunders, Chairman Faculty of Arts Graduate Studies Committee
Subject... New Course Proposal - ECON. 825-4	Date..... December 11, 1984

The Faculty of Arts Graduate Studies Committee at its meeting of December 6, 1984 approved the attached new course ECON. 825-4 - Industrial Organization, for permanent inclusion in the Calendar. Would you place this course on the agenda of the Senate Graduate Studies Committee.

Thank you.



Ross Saunders

SR/mg
Attch.

cc: K. Okuda

CALENDAR INFORMATION:

Title: Industrial Organization

Description: A presentation and critical examination of the industrial organization models. Includes a review of mainstream and current theoretical literature, and important empirical work in the field.

Credit Hours: 4 **Vector:** 0-4-0 **Prerequisite(s) if any:** ECON 802

Estimated Enrollment: 10 When will the course first be offered: 85-3

How often will the course be offered: by arrangement

Industrial organization is a major sub-discipline of Economics. It is commonly taught in both graduate economics and business programs. The configuration of faculty resources in the Department are now such that the course can be taught on a regular basis.

Which Faculty member will normally teach the course: Bowe, Hall, Schwindt

What are the budgetary implications of mounting the course: none

Are there sufficient Library resources (append details): yes

Appended: a) Outline of the Course
b) An indication of the competence of the Faculty member to give the course.
c) Library resources

Approved: Departmental Graduate Studies Committee: [Signature] Date:

Faculty Graduate Studies Committee: K. S. [Signature] Date: Dec 11 85

Faculty: P. Santus, A. Deen Date: Dec. 11 82

Senate Graduate Studies Committee. *W. Dept* Date: 18/12/8

Senate: _____ Date: _____

ECON 825-4 INDUSTRIAL ORGANIZATION

The purpose of this course is to introduce the student to the mainstream industrial organization literature. No prior exposure to the field is assumed. Those wishing to pursue non-mainstream and advanced topics in the industrial organization area will be interested in a special topics course to be offered in Spring 1984.

What follows is the basic reading list for the course. All entries are required. Assignments marked Scherer refer to the required text, F.M.Scherer, Industrial Market Structure and Economic Performance, 2nd edition, 1980. Entries marked (handout) will be distributed in class; those marked (reserve book) or (reserve xerox) are on reserve in the library. No "optional" or "suggested" readings are given. This is so for two reasons. First, the Scherer text is very well referenced and indexed and thus should provide enough leads for those wishing further readings. Second, long lists of optional readings tend to create unnecessary feelings of anxiety and inadequacy among students.

I. Introduction, theory(ies), and doubts

A. Overview

Scherer, Chapters 1, 2, and 5

B. Enterprise Organization and Objectives

R. Coase, "The Nature of the Firm," Economica, Nov. 1937 (Reserve Xerox)

A.Alchian and Harold Demsetz, "Production, Information Costs, and Economic Organization," AER, Dec. 1972 (Reserve Xerox)

R.Marris and D.Mueller, "The Corporation and Competition," JEL, March 1980, (Reserve Xerox)

R. Caves, "Corporate Strategy and Structure," JEL, March 1980, (Reserve Xerox)

II. The Structure of Industry: Seller Concentration

A. Levels, trends and measurement

Scherer, Chapter 3

R.S. Khemani, Concentration in the Manufacturing Industries of Canada: Analysis of Post-War Changes, 1980 (read Chapters 1, 4 and 9, skim the rest) (Reserve Book)

Canada, Dept. of Consumer and Corporate Affairs, Concentration in the Manufacturing Industries of Canada, 1971, pp 1-40 (Handout)

B. Determinants of Concentration

1. Overview

Scherer, Chapter 4

2. Economies of Scale

G. Stigler, The Organization of Industry, 1968, Chapter 7 (Reserve Book)

W.G. Shepherd, "What does the Survivor Technique Show about Economies of Scale?", S. Econ Jour., July 1967, (Reserve Xerox)

B. Gold, "On Size, Scale and Returns: A Survey," JEL, March 1981 (Reserve Xerox)

P. Gorecki, Economies of Scale and Efficient Plant Size in Canadian Manufacturing Industries, 1976 (Handout)

3. Merger

G. Stigler, The Organization of Industry, 1968, Chapter 8 (Reserve Book)

H. Manne, "Mergers and the Market for Corporate Control," JPE, April 1965 (Reserve Xerox)

III. The Structure of Industry: Vertical Integration and Conglomeration

D. Kaserman, "Theories of Vertical Integration: Implications for Antitrust Policy," A-trust Bull., Fall 1978 (Reserve Xerox)

B. Klein et.al., "Vertical Integration, Appropriable Rents and the Competitive Contracting Process," J. of Law and Econ., Fall 1978 (Reserve Xerox)

IV. The Structure of Industry: Barriers to Entry

Scherer, Chapter 8

J.S. Bain, Barriers to New Competition, 1958, Chapter 1 (Reserve Book)

D. Orr, "The Determinants of Entry: A Study of the Canadian Manufacturing Industries," RFS, Feb. 1974 (Reserve Xerox)

V. The Structure of Industry: Product Differentiation

Scherer, Chapter 14

D. Needham, "Product Differentiation," in Economic Analysis and Industrial Structure, 1969 (Reserve Xerox)

J.S. Bain, Barriers to New Competition, 1958 (skim Chapter 4) (Reserve Book)

VI. The Structure of Industry: Buyer Concentration

Scherer, Chapter 10

VII. Market Conduct

Scherer, Chapters 5, 6, 7 and 11

VIII. Market Performance: Allocative Efficiency

Scherer, Chapter 9

J.S.Bain, "Relation of Profit Rate to Industry Concentration: American Manufacturing, 1936-1940," QJE, August 1951 (Reserve Xerox)

H.Mann, "Seller Concentration, Barriers to Entry and Rates of Return in Thirty Industries 1950-1960," RES, August 1966 (Reserve Xerox)

H.Bloch, "Prices, Costs and Profits in Canadian Manufacturing, the Influence of Tariffs and Concentration," CJE, Nov. 1974 (Reserve Xerox)

J. Jones and L. Laudadio, "Market Structure and Profitability in Canadian Manufacturing," CJE, Aug. 1973 (Reserve Xerox)

IX. Market Performance: Production Efficiency

F.M.Scherer, "The Determinants of Industrial Plant Size in Six Nations," RES, May 1973 (Reserve Xerox)

H. Leibenstein, "Allocative Efficiency vs. X-efficiency," AER, June 1966 (Reserve Xerox)

X. Market Performance: Progressiveness

Scherer, Chapter 15

J.Schumpeter, Capitalism, Socialism and Democracy, 1950, Chapter 7 and 8 (Reserve Book)

B.I.Kamien and N.L.Schwartz, "Market Structure and Innovation," JEL, March 1975 (Reserve Xerox)

XI. Market Performance: Sales Effort

W.Comanor and T. Wilson, "Advertising and Competition," JEL, June 1979 (Reserve Xerox)

Lester Telser, "Advertising and Competition," JPE, Dec 1964 (Reserve Xerox)

XII. Market Performance: Macro-economic Considerations

Scherer, Chapter 13

XIII. Market Performance and Market Structure; A Summary

Scherer, Chapter 17

SIMON FRASER UNIVERSITY LIBRARY COLLECTION EVALUATION

(To be completed only for new course proposals; not needed for re-numbering)

Course number and name ECON 825-4 Industrial organization.

1. Evaluation of current library collection (indicate method used, as applicable):

Checked course outline's reading list. The text (Scherer) was on loan so the bibliography in it (if any) has not been checked. "An introduction to the mainstream industrial organization literature."

2. Recommended additions to collection (monographs, serials, other); attach supplementary lists as necessary: .

3. Estimated costs:

A. Initial costs

monographs
serials

Total

B. Continuing costs

monographs
serials

Total

4. Special budget and scheduling factors (include special processing, equipment, and servicing costs):

5. Other pertinent details:

For Library

Date: Oct. 24 1984

ECONOMICS

For Faculty Department

Date: _____