

Topics in Empirical Industrial Organization

Instructor: Grigory Kosenok

Course description and requirements: The course is dealing with an empirical analysis of IO. Some knowledge of IO theory and Applied Econometrics is preferred.

Readings: Readings will mostly be taken from the list below. The copies of papers will be available. Some papers may be added or dropped as we go.

Course plan

Topic 0. Introduction

Reiss P. C., Wolak F. A. (2007) "Structural Econometric Modeling: Rationales and Examples from Industrial Organization", in *Handbook of Econometrics*, vol 6A.

Topic 1. Oligopoly empirics

Borenstein, S. and A. Shepard (1996) "Dynamic pricing in Retail Gasoline Markets," *Rand Journal of Economics*, 27, 429-451

Ellison, G. (1994) "Theories of Cartel Stability and the Joint Executive Committee," *Rand Journal of Economics*, 25, 37-57

Slade, M. (1987) "Interfirm Rivalry in a Repeated Game: An Empirical Test of Tacit Collusion," *Journal of Industrial Economics*, 35, 499-516

Topic 2. Productivity and Costs

Christensen, L. and W. Greene (1976) "Economies of Scales in U.S. Electric Power Generation," *Journal of Political Economy*, 655-676

Olley, G. and A. Pakes (1996) "The Dynamics of Productivity in the Telecommunications Equipment Industry," *Econometrica*, 64, 1263-1297

Evans, D. and J. Heckman (1984) "A test for Subadditivity of the Cost Function with and Application to the Bell System," *American Economic Review*, 9, 615-623

Topic 3. Differentiated Product Markets

Nevo (2001) "Measuring Market Power in the Ready-to-Eat breakfast Cereal Industry," *Econometrica*, 69, 307-342

Berry (1994) "Estimating Discrete Choice Models of Product Differentiation," *Rand Journal of Economics*, 242-262

Berry, S., J. Levinsohn, and A. Pakes. "Automobile Prices in Market Equilibrium." *Econometrica* 63 (July 1995): 841-890.

Topic 4. Price Discrimination

Aguirregabiria, V. (1999) "The Dynamics of Markups and Inventories in Retailing Firms," *Review of Economic Studies*, 66, 275-308

Shepard A. (1991) "Price Discrimination and Retail Configuration," *Journal of Political Economy*, Spring, 30-53

Goldberg, P. (1996) "Dealer Price Discrimination in New Car Purchases: Evidence from the Consumer Expenditure Survey," *Journal of Political Economy*, 104 (June): 622-654

Topic 5. Entry and Exit

Berry, S. (1992) "Estimation of a Model of Entry in the Airline Industry," *Econometrica*, 60, 889-917

Bresnahan, T. and P. Reiss (1990) "Entry in Monopoly Markets," *Review of Economic Studies*, 57, 531-553

Dunne, T., M. Roberts and L. Samuelson (1988) "Patterns of Firm Entry and Exit in U.S. Manufacturing Industries," *Rand Journal of Economics*, 19, 495-515

Topic 6. Auctions

Porter, R. and D. Zona (1993) "Detection of Bid Rigging in Procurement Auctions," *Journal of Political Economy*, 101, 518-538

Haile, P. and E. Tamer (2003) "Inference with an Incomplete Model of English Auctions," *Journal of Political Economy*, 111(1), 1-51

Donald, S., H. Paarsch and J. Robert "An Empirical Model of the Multi-Unit, Sequential, Clock Auction," working paper, University of Iowa

Appendix: Econometric methods applied in Empirical IO

Ordinary least squares, two stage least squares, logit and probit regressions, maximum likelihood, generalized method of moments