

Georg Götz, Justus-Liebig-University Giessen, Winter Term 2024/25

MAGKS-PhD-Course: Topics in Advanced Industrial Organization

Course description (preliminary): The course consists of two parts. The first part presents some basic microeconomic topics based on standard textbooks such as A. Mas-Colell, M.D. Whinston, J. Green, *Microeconomic Theory*, Oxford University Press, 1995 and X. Vives. *Oligopoly Pricing: Old Ideas and New Tools*. Cambridge, Mass.: MIT Press, 1999 and looks into recent development of workhorse models for specifying the demand side as well as new approaches in oligopoly theory. The second part of the course consists of hands-on training on how to build an economic model. Based on my own research, I want to discuss how research questions look like and how we get from the idea to the model. The participants' task will be to build an economic model.

Language: English or German, depending on participants

Location: Giessen (details later). Hybrid?

Credits: 6

Time: There will be four full-day course meetings from 9 a.m. to 5 p.m on the following dates: 24.1., 13./14.3., 28.3.2024

Topics of Part 1 and reading list see below

Contact and registration: Georg.goetz@wirtschaft.uni-giessen.de

<https://www.uni-giessen.de/de/fbz/fb02/fb/professuren/vwl/goetz>

Doctoral course **Methods in Applied Micro/ IO**

Preliminary program, subject to change! Comments welcome.

Topics part 1:

Workhorse model for specifying the demand side

Linear-quadratic utility (Singh, Vives)

Dixit-Stiglitz model

Discrete choice models

Models where only equilibria in mixed strategies exist

Search models

Price dispersion

Recent Papers:

Anderson, Simon; Bedre Defolie, Özlem (2024): Hybrid platform model: monopolistic competition and a dominant firm. In: *The RAND Journal of Economics*, Artikel 1756-2171.12478. DOI: 10.1111/1756-2171.12478.

Evgeny Zhelobodko; Sergey Kokovin; Mathieu Parenti; Jacques-François Thisse (2012): Monopolistic Competition: Beyond the Constant Elasticity of Substitution. In: *Econometrica* 80 (6), S. 2765–2784. DOI: 10.3982/ECTA9986.

Fosgerau, Mogens; Monardo, Julien; Palma, André de (2024): The Inverse Product Differentiation Logit Model. In: *American Economic Journal: Microeconomics* 16 (4), S. 329–370. DOI: 10.1257/mic.20210066.

KOKOVIN, Sergey; Ozhegova, Alina; Sharapudinov, Shamil; Tarasov, Alexander; Ushchev, Philip (2024): A Theory of Monopolistic Competition with Horizontally Heterogeneous Consumers. In: *American Economic Journal: Microeconomics* 16 (2), S. 354–386. DOI: 10.1257/mic.20200453.

Nocke, Volker; Schutz, Nicolas (2018): Multiproduct-Firm Oligopoly: An Aggregative Games Approach. In: *Econometrica* 86 (2), S. 523–557. DOI: 10.3982/ECTA14720.

New approaches in oligopoly theory

(Aryal und Zincenko 2024; Betancourt et al. 2024; Bisceglia et al. 2024; Garrido 2024; Leccese et al. 2024; Miravete et al. 2023; Nocke und Schutz; Nocke und Schutz 2018; Nocke und Schutz; Sweeting et al. 2024; Rickert et al. 2021; Ormosi et al. 2024)

- Aryal, Gaurab; Zincenko, Federico (2024): Empirical framework for Cournot oligopoly with private information. In: *The RAND Journal of Economics* 55 (3), S. 375–402. DOI: 10.1111/1756-2171.12473.
- Betancourt, Jose; Hortaçsu, Ali; Öry, Aniko; Williams, Kevin (2024): Dynamic Price Competition with Capacity Constraints. Cambridge, MA.
- Bisceglia, Michele; Padilla, Jorge; Perkins, Joe; Piccolo, Salvatore (2024): On excessive entry in Bayes–Cournot oligopoly. In: *The RAND Journal of Economics*, Artikel 1756-2171.12479. DOI: 10.1111/1756-2171.12479.
- Garrido, Francisco (2024): An aggregative approach to pricing equilibrium among multi-product firms with nested demand. In: *The RAND Journal of Economics* 55 (3), S. 359–374. DOI: 10.1111/1756-2171.12472.
- Leccese, Mario; Sweeting, Andrew; Tao, Xuezheng (2024): Should We Expect Merger Synergies to be Passed Through to Consumers?*. In: *The J Industrial Economics*, Artikel joie.12394. DOI: 10.1111/joie.12394.
- Miravete, Eugenio J.; Seim, Katja; Thurk, Jeff (2023): Pass-through and tax incidence in differentiated product markets. In: *International Journal of Industrial Organization* 90, S. 102985. DOI: 10.1016/j.ijindorg.2023.102985.
- Nocke, Volker; Schutz, Nicolas: An Aggregative Games Approach to Merger Analysis in Multiproduct-Firm Oligopoly*. In: *Rand Journal of Economics*, zuletzt geprüft am 21.11.2024.
- Nocke, Volker; Schutz, Nicolas: Merger Analysis with Sufficient Statistics, zuletzt geprüft am 21.11.2024.
- Nocke, Volker; Schutz, Nicolas (2018): Multiproduct-Firm Oligopoly: An Aggregative Games Approach. In: *Econometrica* 86 (2), S. 523–557. DOI: 10.3982/ECTA14720.
- Ormosi, Peter L.; Bokhari, Farasat A. S.; Ennis, Sean; Mariuzzo, Franco (2024): Does Increasing Concentration Hit Poorer Areas More? A Study of Retail Petroleum Markets*. In: *The J Industrial Economics*, Artikel joie.12403. DOI: 10.1111/joie.12403.
- Rickert, Dennis; Schain, Jan Philip; Stiebale, Joel (2021): Local Market Structure and Consumer Prices: Evidence from a Retail Merger*. In: *J Ind Econ* 69 (3), S. 692–729. DOI: 10.1111/joie.12275.
- Sweeting, Andrew; Tao, Xuezheng; Yao, Xinlu (2024): Dynamic Oligopoly Pricing with Asymmetric Information: Implications for Horizontal Mergers. In: *American Economic Journal: Microeconomics* 16 (3), S. 345–373. DOI: 10.1257/mic.20220051.

Topics for part 2

Will be discussed and distributed after the first session of the course

Further Literature (Textbooks and 'older' papers)

Hal Varian: How to Build an Economic Model in Your Spare Time

<http://people.ischool.berkeley.edu/%7Ehal/Papers/how.pdf>

Bellemare, Marc F. (2022): Doing economics. What you should have learned in grad school - but didn't. Cambridge: MIT Press.

A. Mas-Colell, M.D. Whinston, J. Green, Microeconomic Theory, Oxford University Press, 1995.

X. Vives. Oligopoly Pricing: Old Ideas and New Tools. Cambridge, Mass.: MIT Press, 1999.

Tirole, J. The theory of industrial organization (MIT press, 1988, Cambridge, MA)

Amir, R. and Lambson, V. (2000), On the Effects of Entry in Cournot Markets. Review of Economic Studies, 67: 235–254.

VIVES, X. (2008), INNOVATION AND COMPETITIVE PRESSURE. The Journal of Industrial Economics, 56: 419–469. doi: 10.1111/j.1467-6451.2008.00356.x