The course provides a graduate-level introduction to some of the core IO empirical methods, mainly the techniques used to estimate demand. The course will cover the core empirical methods papers and also some recent applications of these methodologies. The goal is to give students enough background in the relevant literature and empirical methods so that they can begin to undertake their own research in the area.

Lectures: Thursday 1:25-3:55, Social Sciences 105

Web Page: http://econ.duke.edu/~jr139/

Sakai: I will use Sakai to distribute class materials.

Text: There is no required text for the course but I would recommend Tirole’s *The Theory of Industrial Organization* to brush up on the theoretical models we discuss.

Grading: Evaluation will be based on five problem sets, two in-class presentations and your research project (described below). The problem sets are due at the beginning of class on the following days:

- Problem Set 1 due 1/21/16
- Problem Set 2 due 1/28/16
- Problem Set 3 due 2/4/16
- Problem Set 4 due 2/11/16
- Problem Set 5 due 2/18/16

The in-class presentations will be assigned on the first day of class.

Research Project: The goal of this course is to foster and promote your own independent research. To that end, on the last day of class you will each turn in a short paper describing an original research idea.

You find yourself in one of two scenarios today. Either you currently have a well-developed research project, which may or may not be an IO paper, or you don’t. Since this course is not only for people who want to do IO, you are welcome to present a project that has nothing to do with IO. It should be microeconomics focused, however. If you do want to do IO, then you should present a research project which is IO focused, even if you have a more coherent, non-IO project. The minimum standards for the presentation and paper are:

1. A Point.
2. A clear understanding and articulation of why your project is interesting and important. This should include a well-focused description of where your paper would fit in the literature.
3. If the project is empirical in nature, a description of what data would be used to analyze your question, as well as where you’d get it and how. Make sure to say why these data are ideal. You don’t necessarily have to obtain the data by week 7, just know how you’d do it.
4. Some semblance of a model and what variation in the data would identify parameters of interest.

This is hard. I will have very high standards for this. You should all feel free to discuss your topic with me at your earliest convenience.
Course Outline: Below is the course outline and reading list for each topic. It is up to you to determine the amount of reading that maximizes your personal objective function.

Week 1: 1/14/16

Introduction, why we estimate demand with examples of price discrimination and bundling, single product demand estimation

Suggested Reading:


Weeks 2 and 3: 1/21/16 and 1/28/16

Product space approach to estimating demand, begin characteristics space approach


Suggested Reading:


R. Schmalensee, “Inter-industry Studies of Structure and Performance,” in HIO2, Chapter 16.

V. Aguirregabiria, “The Dynamics of Markups and Inventories in Retail Firms,” ReStud, April 1999, 275-308.


**Week 4: 2/4/16**

*Applications to health care*


Suggested Reading:


**Weeks 5 and 6: 2/11/16 and 2/18/16**

*Auctions, an introduction to empirical work*


Suggested Reading:

**Overview**


SPA:


FPA:


Week 7: 2/25/16

Recent Job Market Papers in IO

Tentative List – we’ll firm up, add more if needed, and assign papers around week 5:

a. Mark Shepard, Harvard Kennedy School
b. Alexander MacKay, JM Candidate at Chicago
c. Chris Neilsen, Princeton
d. Adam Kapor, Columbia (currently doing post-doc at Princeton)
e. Brad Larsen, Stanford
f. Tobias Salz, JM Candidate at NYU
g. Nicholas Buchholz, JM Candidate at Texas
h. Paul Scott, Toulouse

The following abbreviations are (sometimes) used for journal titles:

AER  American Economic Review  
BJE  Bell Journal of Economics  
EMA  Econometrica  
EJ  Economic Journal  
IJIO  International Journal of Industrial Organization  
JE  Journal of Econometrics  
JEH  Journal of Economic History  
JEL  Journal of Economic Literature  
JEMS  Journal of Economics & Management Strategy  
JET  Journal of Economic Theory  
JIE  Journal of Industrial Economics  
JLE  Journal of Law and Economics  
JPE  Journal of Political Economy  
QJE  Quarterly Journal of Economics  
QME  Quantitative Marketing and Economics  
RAND  Rand Journal of Economics  
ReStat  Review of Economics and Statistics  
ReStud  Review of Economic Studies