

**ECON-3713-300 Governmental Relations to Business
Syllabus – Summer 2023**

Instructor: William Townsend
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Class Time: M-F, 10:30PM-12:45PM
Classroom: Via Zoom
Office Hours (via Zoom): M-W 1PM-2PM and **by appointment**

Class Zoom Link Information

Join Zoom Meeting
<https://oklahoma.zoom.us/j/95051392062?pwd=U3R0SHBUVWpVTFV1aFQ2SW1kdzEvZz09>

Meeting ID: 950 5139 2062
Passcode: 45434402

Course Description

During this course, we will study a couple of cases of government regulation of the market and some basic theoretical models that will help us understand why and when the government should intervene. The *Carlton & Perloff* textbook presents the theoretical background in order to be able to understand some antitrust cases and presents some short real-world examples. *Kwoka & White* presents cases of market regulation and the analysis that was behind those cases.

The main topics that we will cover during this course are: market structure (perfect competition, monopoly, dominant firm, cartels), business strategies and conduct (price discrimination, vertical restrictions), government policies and their effects.

Prerequisite: ECON1113 and ECON1123 with a grade of C or better. **Both texts are required for the class.**

Note: **Both texts listed below are required for the class.**

Textbook:

Modern Industrial Organization by Dennis Carlton and Jeffrey Perloff, 4th Edition, Person.
• ISBN: 9780321180230

Readings:

The Antitrust Revolution: Economics, Competition and Policy by John E Kwoka. Lawrence J White, 6th edition, Oxford University Press.
• ISBN: 9780199315499

Grades

Your grade will be based on homework (100 points), two midterms (100 points each), one final exam (150 points), class project (100 points) start-up points (50 points).

In order to calculate your final grade, you need to add the points that you obtain in each of the assessments from the paragraph above.

Grading scale:

- A: $540 \leq \text{your score}$
- B: $480 \leq \text{your score} < 540$;
- C: $420 \leq \text{your score} < 480$;
- D: $360 \leq \text{your score} < 420$;
- F: $\text{your score} < 360$.

Obs.1: 539 is a B, 479 is a C, and so on.

Obs.2: Your final grade is based on your performance in this course and not on the fact that you need a certain grade (A, B, C, D) to graduate, apply for a certain program, financial aid, scholarship, etc. So please be sure to put the effort during the course to get the grade you need to graduate, apply for programs, financial aid, scholarship, etc.

There will be two midterms and a final exam on the dates indicated below. The final exam will be cumulative. All exams will cover material from the chapters from *Carlton & Perloff* textbook that we discussed in class, cases from *Kwoka & White* textbook, the lecture notes and the homework. **Any student caught cheating will receive an F for the course.**

MAKEUP EXAM POLICY: There will be NO MAKEUP exams, no exceptions. If you miss an exam without a valid excuse, you will get a ZERO grade. If you have a valid excuse and bring solid documentation, you can be excused and the grade from your final will be reweighted to account for the missed exam. **You should not miss the final.**

Exam Dates

- Midterm 1 - Tuesday, July 18
- Midterm 2 - Thursday, July 27
- Final – Friday, August 4

Important: The dates for the midterms can change in case of emergencies, such as the classes are canceled that day. Please do not schedule other things in the upcoming lectures since the midterm will be postponed to our next lecture.

Start-up points – 50 points

At the beginning of the semester, you receive 50 points towards your grade. These start-up points are your participation grade. You are allowed 2 unexcused absences from the class. For every class missed after the 2 unexcused absences, 5 points will be deducted from your grade. The only exception is if you present to me, before class, a reasonable excuse as to why you could not attend the lecture. I must excuse your absence before the class begins. I may require documentation depending on the excuse. Active participation in this course includes asking/answering questions, keeping your video camera on, being respectful to other students, and showing up to class on time. Students who do not keep their cameras on during the class and/or refuse to participate in class discussion will lose start-up points. I will update students' start up points each Friday.

Homework

I will assign homework during the entire semester. There will be 5 homework assignments each worth 20 points. Please pay attention during class and check the Canvas website for posted assignments. Assignments need to be turned in on time. If you have problems or anticipate problems when an assignment is due, make sure you submit it early. If you have an out of your control situation (such as a car accident) that prevents you from turning the homework on time, you need to bring me strong documentation of your situation, and I can extend the deadline based on your situation. You need to let me know about your situation as soon as possible. If there is a homework assignment that involves me posting/going over the solution before you turn in the homework, I will drop that homework from your score. If you miss the deadline and you do not have an out of your control situation, you have 48 hours to submit your homework. In this case, you will lose 25% of the points allocated for that homework.

Class Project

The class project is worth 100 points. For the class project, you will find a U.S. antitrust case of your own choice from the past, currently going on, or about to happen. You must send me a one paragraph description of the antitrust case you wish to work on for your class project by midnight on the Wednesday of July 19th. The proposal must include a description of what the antitrust case was/is about. I must approve your proposal before you can continue the project. Your proposal is worth 5 points.

Once your proposal is approved you will write a 3-page double-spaced paper in Times New Roman font. Your essay should include a summary of what is happening in the antitrust policy and whether you believe the courts made the right final verdict. If the case is currently going on, create an argument of what you think the right decision would be for the U.S. courts to decide upon. The essay should include 5 sources. These may be either primary or secondary. I expect a well-written summary of the case and a thorough explanation of why a court's decision was right or wrong. You should use logic from our course to explain your reasoning. I also expect each student to write in active voice. This essay portion of the class project is worth 50 points.

Lastly, everyone will have a 10-minute presentation on August 10th over their class project. Presenters must set up power-point slides and (1) mention the antitrust case they chose to research, (2) provide a summary of what is going on in the antitrust case, and (3) discuss whether the U.S. court system made the right final verdict. The presentation portion of the class project is worth 45 points.

Office hours

For this course, all my office hours are online (via Zoom). I will be available for questions during office hours unless other duties make that impossible, in which case I will inform you. The Zoom link for the office hours is the same link for our class.

If you want to see me during office hours, you need to let me know what time you will be on Zoom during the office hours, so I can schedule students in case there are multiple requests for

the same time interval. If you need to see me outside regular office hours, in order to make an appointment send me an e-mail with a couple of time intervals when you are available.

Notifications

I will use the Canvas website in order to send you information such as readings, homework assignments or to post files and grades online. ***Please use your OU email account when you would like to send me an email. I will not reply to any email that comes from other email accounts such as Yahoo, Gmail, etc.***

Important: I will not post solutions to problems (or other topics) that I have covered during the lecture. As I have mentioned, it is your responsibility to talk to your colleagues, get the notes from them.

Etiquette

- 1) Please keep your mic on mute when you are not speaking. Please do not be the person who leaves their mic on during a meeting when you are not talking.
- 2) Keep your camera on where the class can see your face. Please do not have your camera on without you present (ex: camera only pointed up at a ceiling fan or showing an empty room). This helps to maintain a more engaged classroom setting.
- 3) Feel free to eat and/or drink during the class. We have long lectures, so I understand if you need to eat or drink something.
- 4) Ask questions and stay engaged. I love it when students ask lots of questions because it tends to mean they are paying attention. Do not be afraid to ask what you might feel as being a “dumb” question. In my class, there are no dumb questions.:)
- 5) **Please do not be late.** I will take attendance at the beginning of every lecture. Students who arrive very late to class, without communicating why, will be subject to losing start-up points. In addition, constantly arriving 5+ minutes late to several classes may result in loss of start-up points.
- 6) Remain respectful of other students and what they discuss in class. This class is intended to be an open, safe learning environment.

Course schedule

For this course I will use mainly *Carlton & Perloff's* textbook (see above). Four antitrust cases will be discussed from *Kwoka & White's* textbook. However, this is a tentative outline; small changes in the chapters that we will cover might occur. At the end of each lecture usually I will let you know the next chapter that I will cover. I recommend you read this chapter before the next lecture for a better understanding of the chapter.

1. Introduction (Ch.1 and Ch.2)

Market structure

2. Competition (Ch. 3)
3. Monopoly, Dominant Firm (Ch. 4)
4. The Proposed Merger of *AT&T and T-Mobile* - 2011 (Case 1)
5. Cartels (Ch. 5)

- first midterm somewhere here

6. Oligopolies: Cournot Model (Ch. 6)
7. Oligopolies: Stackelberg Model, Bertrand Model (Ch. 6)
8. Payment Card Networks: *U.S vs. Visa and MasterCard* – 2003 (Case 19)

Pricing Strategies

9. Price Discrimination, Predatory Pricing, Limit Pricing, etc. (Ch. 9, Ch.10)
10. Predatory Pricing (airline industry): *Spirit Airlines vs. Northwest Airlines* – 2005 (Case10)
- second midterm somewhere here

Business Conduct

11. Vertical Integration and Vertical Restrictions (Ch. 12)
12. *Intel and Blocking Practices* – 2010 (Case 13)
13. Patents, Copyrights and Trademarks (Ch.16)
Final exam.

University Policies

Copyright Syllabus Statement for In-Person or Online Courses

Sessions of this course may be recorded or live-streamed. These recordings are the intellectual property of the individual faculty member and may not be shared or reproduced without the explicit, written consent of the faculty member. In addition, privacy rights of others such as students, guest lecturers, and providers of copyrighted material displayed in the recording may be of concern. Students may not share any course recordings with individuals not enrolled in the class or upload them to any other online environment.

Academic Integrity

Academic honesty is incredibly important within this course. Cheating is strictly prohibited at the University of Oklahoma, because it devalues the degree you are working hard to get. As a member of the OU community, it is your responsibility to protect your educational investment by knowing and following the rules. For specific definitions on what constitutes cheating, review the [Student's Guide to Academic Integrity](#).

To be successful in this class, all work on exams and quizzes must be yours and yours alone. You may not receive outside help on assessments. On examinations and quizzes, you will never be permitted to use your notes, textbooks, calculators, or any other study aids. Should you see someone else engaging in this behavior, I encourage you to report it to myself or directly to the Office of Academic Integrity Programs. I encourage this because when someone else cheats, it can negatively impact the reputation of our entire program. It is my professional obligation to report academic misconduct, which I will not hesitate to do. Sanctions for academic misconduct can include expulsion from the University and an F in this course, so don't cheat. It's simply not worth it.

Religious Observance

It is the policy of the University to excuse the absences of students that result from religious observances and to reschedule examinations and additional required classwork that may fall on religious holidays, without penalty. [\[See Faculty Handbook 3.15.2\]](#)

Reasonable Accommodation Policy

The Accessibility and Disability Resource Center is committed to supporting students with disabilities to ensure that they are able to enjoy equal access to all components of their education. This includes your academics, housing, and community events. If you are experiencing a disability, a mental/medical health condition that has a significant impact on one or more life functions, you can receive accommodations to provide equal access. Possible disabilities include, but are not limited to, learning disabilities, AD(H)D, mental health, and chronic health. Additionally, we support students with temporary medical conditions (broken wrist, shoulder surgery, etc.) and pregnancy. To discuss potential accommodations, please contact the ADRC at 730 College Avenue, (ph.) 405.325.3852, or adrc@ou.edu.

Title IX Resources and Reporting Requirement

Anyone who has been impacted by gender-based violence, including dating violence, domestic violence, stalking, harassment, and sexual assault, deserves access to resources so that they are supported personally and academically. The University of Oklahoma is committed to offering resources to those impacted, including: speaking with someone confidentially about your options, medical attention, counseling, reporting, academic support, and safety plans. If you would like to speak with someone confidentially, please contact [OU Advocates](#) (available 24/7 at 405-615-0013) or another confidential resource (see "[Can I make an anonymous report?](#)"). You may also choose to report gender-based violence and discrimination through other means, including by contacting the [Institutional Equity Office](#) (ieo@ou.edu, 405-325-3546) or police (911). Because the University of Oklahoma is committed to the safety of you and other students, I, as well as other faculty, Graduate Assistants, and Teaching Assistants, are mandatory reporters. This means that we are obligated to report gender-based violence that has been disclosed to us to the Institutional Equity Office. This includes disclosures that occur in: class discussion, writing assignments, discussion boards, emails and during Student/Office Hours. For more information, please visit the [Institutional Equity Office](#).

Adjustments for Pregnancy/Childbirth Related Issues

Should you need modifications or adjustments to your course requirements because of documented pregnancy-related or childbirth-related issues, please contact your professor or the Accessibility and Disability Resource Center at 405/325-3852 as soon as possible. Also, see the Institutional Equity Office [FAQ on Pregnant and Parenting Students' Rights](#) for answers to commonly asked questions.

Final Exam Preparation Period

Pre-finals week will be defined as the seven calendar days before the first day of finals. Faculty may cover new course material throughout this week. For specific provisions of the policy please refer to OU's [Final Exam Preparation Period policy](#).

Emergency Protocol

During an emergency, there are official university [procedures](#) that will maximize your safety.

Severe Weather: If you receive an OU Alert to seek refuge or hear a tornado siren that signals severe weather.

1. Look for severe weather refuge location maps located inside most OU buildings near the entrances
2. Seek refuge inside a building. Do not leave one building to seek shelter in another building that you deem safer. If outside, get into the nearest building.
3. Go to the building's severe weather refuge location. If you do not know where that is, go to the lowest level possible and seek refuge in an innermost room. Avoid outside doors and windows.
4. Get in, Get Down, Cover Up
5. Wait for official notice to resume normal activities.

Additional [Weather Safety Information](#) is available through the Department of Campus Safety.

Armed Subject/Campus Intruder

If you receive an OU Alert to shelter-in-place due to an active shooter or armed intruder situation or you hear what you perceive to be gunshots:

1. *Avoid:* If you believe you can get out of the area WITHOUT encountering the armed individual, move quickly towards the nearest building exit, move away from the building, and call 911.
2. *Deny:* If you cannot flee, move to an area that can be locked or barricaded, turn off lights, silence devices, spread out, and formulate a plan of attack if the shooter enters the room.
3. *Defend:* As a last resort fight to defend yourself.

For more information, visit [OU's Emergency Preparedness site](#).

[Shots Fired on Campus Procedure – Video](#)

Fire Alarm/General Emergency

If you receive an OU Alert that there is danger inside or near the building, or the fire alarm inside the building activates: 1. *LEAVE* the building. Do not use the elevators. 2. *KNOW* at least two building exits 3. *ASSIST* those that may need help 4. *PROCEED* to the emergency assembly area 5 *ONCE safely outside, NOTIFY first responders of*

anyone that may still be inside building due to mobility issues. 6. WAIT for official notice before attempting to re-enter the building.

[OU Fire Safety on Campus](#)

Mental Health Support Services

If you are experiencing any mental health issues that are impacting your academic performance, counseling is available at the University Counseling Center (UCC). The Center is located on the second floor of the Goddard Health Center, at 620 Elm Rm. 201, Norman, OK 73019. To schedule an appointment call (405) 325-2911. For more information, please visit [University Counseling Center](#).