

Univ. of Maryland, College Park
Department of Economics

Dr. Cindy Clement
Sections 0101 & 0201

Economics of Regulation and Antitrust

Fall 2016 Syllabus

Course Description:

Markets work well in some circumstances but not in others. Government intervention may mitigate or resolve some problems with markets, but government action can also make economic outcomes worse. This course aims to help students understand and analyze selected types of “market failure” and possible remedies. We will explore three types of government regulation:

- “antitrust law and policy” aimed against anti-competitive behavior;
- “social regulation”, or government requirements aimed at improving health and safety; and
- “the regulation of regulation” → how regulatory decision-making is itself regulated.

We will address several general questions, including: Under what conditions does government regulation yield an outcome better for society than “laissez faire”? What regulatory policies and mechanisms have been used in the U.S, and how well have they worked? The course will cover both theoretical models and real-world policies and institutions.

Course Objectives:

Each student will demonstrate ability to remember, understand, and apply knowledge of:

- Specific economic problems that have prompted government regulation in the past and present
- Conceptual and empirical analysis of these problems and corresponding regulatory responses
- Various government agencies that regulate economic activity in the US

Additionally, each student will analyze current real world issues, evaluate analysis presented by others, and also communicate analysis to peers in written and/or oral format.

Instructor's Contact Information and Class Logistics:

Office: Tydings Hall 3108

Email: clement@econ.umd.edu

Phone: 301 405 3257

Office Hours: Monday 12:15 to 1:30; Wednesday 2 to 3:15; Thursday 10 to noon; and by appointment. Any changes will be announced on ELMS.

Class Meetings: 0101 MWF 10:00 - 10:50 am in Tydings1118
0201 MWF 11:00 - 11:50 pm in Tydings 1118

ELMS: This course requires students to use ELMS as pertinent information will be posted and various assignments will be submitted on the course site. Students can access ELMS at elms.umd.edu. You can log in using your UM Directory ID (your email login) and password.

Pre-requisites: **Before** taking this course you must have successfully completed (a) either ECON306 or ECON326, covering intermediate microeconomics, and (b) either ECON230, BMGT230, or ECON321, covering statistics.

Textbooks: No textbooks are required for this course. All required reading materials will be accessible via ELMS.

University Policies: We will adhere to policies described on <http://www.ugst.umd.edu/courserelatedpolicies.html> which cover academic integrity, disability support, excused absences, official communication, final exams, and other rights and responsibilities of students here at the University of Maryland. Some additional details are included on the next page. Note: you do not need to inform me if you miss a class unless an assignment worth 50% or more of your grade will be impacted by your absence. More details on missing graded activity is explained below.

Expectations of Students: Attendance at class meetings is particularly important in this class because we are not using a standard textbook. Participation in class discussion is particularly important to meet the learning objectives of this course. Please show respect for your classmates and the instructor, and expect respect from your classmates.

Communication Outside Class: Dr. Clement will use "Conversation Messages" and "Announcements" tools on ELMS to communicate with students outside class meetings. You must set your Canvas "Notifications" preferences to accept alerts from these two sources at least on a daily basis.

Email: Students can also communicate with Dr. Clement via email using the address clement@econ.umd.edu. Due to the volume of email messages that Dr. Clement receives every day, **please use the subject line ECON461 whenever you send her an email**. Dr. Clement can respond more effectively if you include your name **and** any previous messages exchanged within every message. If you do not get a response within 24 hours (longer on the weekends), it may have inadvertently gone to junk mail, so please send a message inside ELMS or leave a voice mail message.

Grades and Assessments: Calculation of course grades will be based on different types of learning activities and assessments. The weight place on each type was discussed and decided in class on Sept. 2 and appears below. Details for each type follow. Letter grades are NOT curved.

Class Participation	20%
Writing Assignments	25%
Presentation	20%
Peer Reviews	15%
Final Exam	20%
Total	100%

*Department of Economics' policy on grading requires me to use the grading system I announce at the beginning of the semester in all cases. **I cannot make any exceptions, and there will be no opportunities for extra credit after the final exam.***

Class Participation shows what you remember, helps build understanding, and affords opportunities to practice applying what you know to new situations and analyzing situations where you have some familiarity. There will be at least 42 opportunities to participate in class discussion. To earn full credit in this category, you must accumulate a minimum of 15 unscheduled instances of meaningful class participation between August 31 and Nov. 7. You will also have 5 scheduled opportunities between Nov. 9 and Dec. 12 to earn credit.

If you find it difficult to participate in class, or if you miss a class meeting, you can participate by email. Send Dr. Clement thoughtful comments and/or questions as soon as possible to earn missed points. "Thoughtful" means that you need to explain the thinking that leads you to your comments/questions. For example, don't write "topic X is interesting to me" but instead explain why topic X is interesting. Similarly, don't ask "What does term Z mean?" but instead explain what you think term Z means from the context in which it was used and then ask if you have interpreted correctly. There are lots of other possible examples, but hopefully this helps you understand what is expected when you are participating in this alternative way. Don't wait too long to send comments and/or questions! Demonstrate that you are keeping up with class material. Scores for participation "to date" will be updated on ELMS every 3 weeks at a minimum.

Writing Assignments give you opportunities to articulate and deepen your understanding of the concepts and methods discussed in class. Three writing assignments will be short, approximately 2-3 pages in length. One will be 5-6 pages and constitute part of the research done for the group presentation. (All writing assignments will be graded on an individual basis.) Tentative due dates can be found in the last pages of this document, and adjustments will be announced in class and via the weekly pages on ELMS. All assignments will be submitted via ELMS before midnight on the due date. The penalty for late submissions without documentation of a valid excuse will be 5% of the possible points for the first 12 hours, 10% for the second 12 hour period, and 25% if submitted more than 24 hours after the deadline; unexcused late submissions will receive a score of zero if not submitted within 48 hours of the deadline.

Research Presentation gives you a more significant opportunity to apply knowledge and produce analysis of economic behavior and government policy. The research presentation will also give you opportunity to explore either a different type of regulation than covered in class OR go into more depth. The last two parts of the research presentation will be completed as a group project. Your individual grade on these 2 parts could be different than what your group partners receive, if your partners report that you shirked on your responsibilities. The penalty for late submissions without documentation of a valid excuse will be 5% of the possible points for the first 12 hours, 10% for the second 12 hour period, and 25% if submitted more than 24 hours after the deadline; unexcused late submissions will receive a score of zero if not submitted within 48 hours of the deadline. The penalty for late submissions will apply to all members of the group.

Peer Reviews give you opportunity to learn from a classmate's analysis and also to practice evaluating someone else's thinking and communication skills. If you demonstrate "good faith effort", you will earn full credit for producing a written set of comments about two of the long writing assignments prepared by your partners. You will also be asked to provide written comments about two other research presentations. Late submissions without valid documentation of an excused absence will be penalized by halving the credit earned.

Weekly Schedule

SEE ELMS FOR UPDATED DETAILS AS THE SEMESTER UNFOLDS, INCLUDING ADJUSTMENTS TO DUE DATES, MORE INSTRUCTIONS ON ASSIGNED READINGS, AND GRADED ASSESSMENTS OF YOUR PERFORMANCE IN THIS COURSE.

Week	Dates	Topics	Readings & Due dates
01	8.29 8.31 9.02	Intro Substantive scope Substantive scope; Grades; Group formation policy	01 Course Intro.pptx 02 Substantive Scope.docx Draft Syllabus.docx (no version number)
02	9.5 9.7 9.9	LABOR DAY – No class Research topics; Group roles; Remaining questions on syllabus Finish substantive scope	Newspaper articles on beer and Epipens Draft Syllabus.docx v2; Regulatory Flowchart.pdf
03	9.12 9.14 9.16	Academic literature on regulation Discuss group formation assignment Finish discussion of assigned reading Group formation opportunity Empirical evidence on regulation Introduce 1st writing assignment	First 2 chapters from <i>Oxford Handbook</i> 2 articles from JEP Summer 2015 Group formation assignment DUE
04	9.19 9.21 9.23	Finish empirical evidence on reg. Intro to antitrust Continue intro to antitrust	Outline and PDF readings 1st Writing assignment DUE
05	9.26 9.28 9.30	Collusion Finish collusion Preview remaining antitrust topics Introduce 2nd writing assignment	Outline and PDF readings
06	10.3 10.5 10.7	Intro to health & safety regulation Finish intro to health & safety reg. Ideas from behavioral economics	Outline and PDF readings 2nd Writing assignment DUE

Week	Dates	Topics	Readings & Activities besides participation
07	10.10 10.12 10.14	Finish ideas from behavioral econ. Introduce topic choice assignment Cost-benefit Analysis Case study of cost-benefit analysis Discussion of topic choices	
08	10.17 10.19 10.21	Finish cost-benefit analysis Introduce 3rd writing assignment Antitrust: market definition Library session on research Discuss 4th writing assignment	Topic choice assignment DUE
09	10.24 10.26 10.28	Horizontal mergers Horizontal mergers continued Exclusionary conduct	3rd writing assignment DUE
10	10.31 11.2 11.4	Price discrimination Vertical mergers Other vertical conduct Introduce 1st & 2nd peer reviews	4th writing assignment DUE
11	11.7 11.9 11.11	Insurance markets Insurance markets continued Group work in library	1st peer review due
12	11.14 11.16 11.18	Workers health and safety Consumer protection Discuss research outline Environmental regulation	2nd peer review due Scheduled class participation
13	11.21 11.23 11.25	Group work in library THANKSGIVING BREAK THANKSGIVING BREAK	
14	11.28 11.30 12.2	Discuss content of final exam Regulatory reform case study Reform case study continued	Scheduled class participation Research outline due
15	12.5 12.7 12.9	Research presentations Introduce 3rd and 4th peer reviews Research presentations Research presentations	Scheduled class participation Scheduled class participation Research presentation documents due Scheduled class participation
16	12.12 12.16 (Fri.)	Review for final exam	3rd and 4th peer review due Final exam for section 0201 from 8 to 10 AM
17	12.20 (Tues.)		Final exam for section 0101 from 8 to 10 AM