



Readings: Ch. 13

**Hw3:** 13.B.2, 13.B.4, 13.C.1, 13.C.5.

**Midterm Exam**      Thursday, October 10; regular class time.

**Topic 4      The Principal-Agent Problem**

Readings: Ch. 14

**Hw4:** 14.B.4, 14.C.3, 14.C.7, 14.C.8.

**Topic 5      Theory of the Firm**

Readings:

- -405.
- Williamson, O.E., The Economic Institutions of Capitalism, 1985, New York: Free Press.
- -719.
- -382.
-

- Greenlee, Patrick, David Reitman, and David Sibley, "An Antitrust Analysis of Bundled Loyalty Discounts," International Journal of Industrial Organization, 2008.
- Segal, Ilya and Michael Whinston, "Exclusive Contracts and the Protection of Investments," RAND, 2000.
- Segal, Ilya and Michael Whinston, "Naked Exclusion: Comment," AER, 2000.
- Spier, Kathryn and Michael Whinston, "On the Efficiency of Privately Stipulated Damages for Breach of Contract: Entry Barriers, Reliance and Renegotiation," RAND, 1995.
- Simpson, John and Abraham Wickelgren, "Naked Exclusion, Efficient Breach, and Downstream Competition," AER, 2007.

**HW6:** (1) Using a simple model to explain the Chicago School argument that anticompetitive exclusive contracts are not profitable. Briefly explain the possible reasons under which this argument no longer hold. (2) Write a short review of Özlem Bedre-Defolie and Gary Biglaiser (2017).

## **Topic 7          Economics of Search**

1. Price Search in Homogeneous Product markets

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- Armstrong, M, Vickers, J, and

