This course will investigate some issues of central importance in the economics of regulated industries, antitrust and competition law principles. Traditional issues such as Ramsey pricing, non-linear pricing, and rate-of-return regulation will be examined. More recent developments such as incentive regulation mechanisms, non-price discrimination and deregulation will also be examined. Moreover, as regulatory principles are increasingly shading into antitrust and competition law principles, we will also discuss how regulators are using these principles to determine when forbearance or deregulation may be warranted in specific market settings.

**Required readings** will be announced. The syllabus contains a large number of references, far more than it is possible to cover in a single semester. These additional references, which include a number of classic papers, should prove useful to you in your research.

**Course requirements** include a final examination, an original research paper (“note”) on a regulatory or antitrust issue, and a class presentation of an empirical paper that addresses some dimension of performance in oligopolistic markets or regulated industries. Topics for the class presentation should be discussed with the instructor in advance.

**Problem Sets.** Problem sets will be assigned throughout the term. Comprehensive solutions for these problem sets will also be provided.

**Primary References**


Consulting References


The Rationale for Economic Regulation

VHV Chapters 1 and 10.


**Elements of Natural Monopoly**

VHV, Chapter 11.


**Ramsey Pricing**

VHV Chapter 11, 414-418.

Tirole, 65-71.


**Non-Linear Prices**

VHV, 412-415.

Tirole, Chapter 3.


**Peak Load Prices**

VHV, Chapter 12, 447-455.


**The Averch-Johnson Model of Regulation**

VHV, Chapter 12, 433-436.


**Rate-of-Return Regulation**


**Quality Regulation**

Tirole, 100-102.


**Agency Models – Background**

Tirole, 51-55.


**Regulation and Asymmetric Information Overviews**


**Price-Cap Regulation Theory**


Price Cap Regulation - Empirical


Access Pricing


**Non-Price Discrimination In Vertically-Integrated Markets**


**Essentials of Game Theory**

Tirole, Chapters 5 and 11.


**Antitrust and Market Power**


**Deregulation/Forbearance**


ACADEMIC HONESTY AND INTEGRITY

Kansas State University has an Honor System based on personal integrity, which is presumed to be sufficient assurance that, in academic matters, one's work is performed honestly and without unauthorized assistance. Undergraduate and graduate students, by registration, acknowledge the jurisdiction of the Honor System. The policies and procedures of the Honor System apply to all full and part-time students enrolled in undergraduate and graduate courses on-campus, off-campus, and via distance learning. The honor system website can be reached via the following URL: www.ksu.edu/honor. A component vital to the Honor System is the inclusion of the Honor Pledge which applies to all assignments, examinations, or other course work undertaken by students. The Honor Pledge is implied, whether or not it is stated: "On my honor, as a student, I have neither given nor received unauthorized aid on this academic work." A grade of XF can result from a breach of academic honesty. The F indicates failure in the course; the X indicates the reason is an Honor Pledge violation.

ACADEMIC ACCOMMODATIONS FOR STUDENTS WITH DISABILITIES

Any student with a disability who needs a classroom accommodation, access to technology or other academic assistance in this course should contact Disability Support Services (dss@ksate.edu) and/or the instructor. DSS serves students with a wide range of disabilities including, but not limited to, physical disabilities, sensory impairments, learning disabilities, attention deficit disorder, depression, and anxiety.