

Guidelines for Research Paper and Team Project

Econ 142CW: Industrial Organization

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1. Research Paper

For this course, I will accept three different types of *original* research papers: case study, empirical analysis, or theoretical analysis. Your paper should have a clear link to what we cover in this course (lectures and readings).

General Approach

(a) Focus on a common practice of modern firms

Examples: advertising, price discrimination

(b) Focus on a common feature of modern markets

Examples: role of new technology, government regulation

After choosing one of the two general approaches above, you should decide whether you want to do a case study, an empirical analysis, or a theoretical analysis within that general approach.

(a) A Common Practice of Modern Firms

Select a firm practice that interests you. In preparation for undertaking the research, you should evaluate the industries and major firms to which this practice appears to be important. Compare and contrast: why is this practice more prevalent in one industry than another? Why does firm X adopt this practice more than firm Y?

Brainstorming in this manner should lead you to some interesting research topics.

For a case study, you should examine a particular instance of this practice by a firm (or select group of firms) in an industry. In general, you should pick an instance where the practice raises some public policy concerns. As you are choosing a single instance, I will expect a detailed, micro-level analysis, along the same lines as the case studies presented in *The Antitrust Revolution*.

For an empirical study, you should collect data on firms and/or industries in which these practice occur in differing amount or form. Use the data to measure either the determinants of the practice (what are the factors that lead firms to adopt this practice) or the impact of the practice on firm/industry performance. An ideal paper would examine both. The main constraints would be [1] the availability of relevant data and [2] familiarity with econometrics and econometrics software.

For a theoretical study, you can do one of two things: you can either write a literature review on the recent models proposed by academic economists to explain some aspect of the chosen firm practice or write your own model (can and most likely will be an extension of an existing model). The first option will require you to read and synthesize quite a few academic papers, some of which

will be technical in nature. The second option will require you to gain familiarity with the analytical tools of modern economics, including constrained optimization and game theory.

(b) A Common Feature of Modern Markets

This approach is similar to (a) above but focuses on a market feature instead of a firm practice.

Requirements

The outline should be 1-3 double-spaced pages, and the paper should be around 15 double-spaced pages.

You may use research material obtained from writing a paper in previous or concurrent economics courses as long as you gain my prior approval. However, I expect the paper you hand in to me to have substantial original material. You cannot just turn in the same paper or just rehash the same material.

I expect the paper to be well-written. If you need help with proof-reading, use one of the numerous writing resources (e.g. LARC—The Learning and Academic Resource Center) here at UCI. Properly document your paper and use formal citation practices. As a warning, I will prosecute plagiarism to the fullest extent. I do not mind you using research or information from another source as long as you properly cite it.

A good reference on how to properly cite your sources is the *MLA Handbook for Writers of Research Papers*, available in the Langson Library Reference Collection. Related information is also available online in the *MLA Formatting and Style Guide* produced by Purdue Online Writing Lab, located at <http://owl.english.purdue.edu/owl/resource/747/01/>.

2. Team Project (Industry Analysis)

The objective of the team project is for you to work with your teammates and engage in in-depth research of an industry from the perspective of an economist, and I expect you to show great teamwork.

You want to explore how the market functions, how firms compete (price? product variety? services? etc.), how easy is entry, how much entry and exit there has been, how competitive the industry is, and so forth. You may also study important features and/or events of the industry by documenting the frequency of price changes, the extent of price dispersion, major mergers and acquisitions, regulations and deregulations, and so on. You need not cover all of those topics but can focus on a subset of them. All that is really important is that your project serves to help us understand the industry better. I'd prefer that you avoid generalities and instead focus on a particular dimension in detail.

Each team will deliver two items. First, you will provide a written project of around 15-20 double-spaced pages. Second, you will have 15 minutes to present your findings to the class, followed by Q&A.