Econ 6100X: Antitrust Economics and Competition Policy
Spring 2018 Syllabus
Preliminary Draft

Department of Economics
HKUST Business School

Schedule:
Regular lectures: Thursday, 02:00-05:50 p.m.
February 1 – March 29, 2018 (except February 15)
Guest lectures: March 22, at 02:00-05:00 p.m.
Exam: March 29, at 02:00-04:00 p.m.

Venue: LSK 1027

Course Web Site: https://canvas.ust.hk/

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<thead>
<tr>
<th>Yuk-fai Fong (房育輝)</th>
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Office Hours: By Appointment
Email is always a great way to reach me.

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Course description
This course provides basic analytical tools for antitrust economics and introduces students to applications of economic theory to understand competition policies. Topics include (i) cartels and other collusive behavior among competitors and leniency programs, (ii) monopoly and dominant firm conduct, (iii) vertical restraints of trade between suppliers and customers such as resale price maintenance, tying arrangements, and exclusive dealing contracts, and (iv) horizontal and vertical mergers.
Learning outcomes
On completion of this course, you will be able to
1. use economic theory to explain rationales behind antitrust regulations,
2. predict consequences of anticompetitive practices,
3. argue from the perspective of the antitrust regulator why certain business
   practices should be disallowed, and
4. argue from the perspective of the firm(s) why certain business practices should be
   allowed.

Required Textbook
There is no required textbook.

Optional References
TBA.

Guest Lectures
Guest lectures are tentatively scheduled on Thursday, March 15, 2018 at 2-5 p.m.
You’re required to attend the guest lectures.

Grades
The grades will be based on two assignments (30%) and one final exam (70%).

The final exam will be held on Thursday, March 29, 2018 at 2-4 p.m. You will need a
very strong reason, substantiated by sufficient supporting documents, to miss the
exam. Considering the advantage of having more time to prepare, the make-up exam
is expected to be more difficult than the original exam.

Course Outline
Feb 1: Cartel and Leniency Program, Part I (YF)
Feb 8: Cartel and Leniency Program, Part II (YF) and Predatory Pricing (XY)
   --Mini-Case: Virgin Atlantic and British Airways
   --Discussion: Hong Kong Auto-Fuel Market
   --Mini-Case: Spirit Airline v. Northwest
Feb 15: Chinese New Year Holiday (No class)
Feb 22: Bundling + Loyalty Discount (XY)
   --Mini-Case: US v. Microsoft
   --News: China v. Tetra Pak
Mar 1: Exclusive Contract (YF)
   --Mini-Case: Mars and Unilever
Mar 8: Horizontal Merger (XY)
   --Case: Coca-Cola and Huiyuan Juice
Mar 15: MOFCOM’s merger control (YF) + Vertical Integration (Both)
Mar 22: Guest lectures by experts (tentative)
Mar 29: Final Exam
Note: Xinyu’s lectures are denoted by XY and those by Yuk-fai are denoted by YF