

McGill University
Department of Economics
Econ 308 - 001
GOVERNMENT POLICY TOWARDS BUSINESS
Winter 2021
Course Outline

Professor: Email: Lectures: Office Hours	Georgi Boichev georgi.boichev@mcgill.ca T and Th 10:05 – 11:25 (REMOTELY) F 9:00 – 11:00 and F 15:00 – 17:00 (REMOTELY)
Teaching Assistant: Email: Office Hours:	Thomas Kokossou thomas.kokossou@mail.mcgill.ca M 13:00 – 14:00 (REMOTELY)

Course Description

Prerequisites: Econ 208 and Econ 209

Covers the major public policies toward business in Canada, such as competition policy, regulation, public ownership and privatization, industrial policies, and trade policies. Includes comparison with policies of other countries, especially the U.S. Readings will include some legal decisions.

Math Requirements

Working knowledge of high school math is required. Some basic calculus, required for the course, will be covered in class.

Learning Objectives

- Become familiarized with economic environments that lead to market failure and thus provide rationales for government intervention.
- Analyze the effectiveness of government policies in correcting for market failure as well as their distributional impact.

Required Textbooks and Readings

W. Kip Viscusi, Joseph E. Harrington, Jr. and David E. M. Sappington, *Economics of Regulation and Antitrust*, 5th edition. MIT Press. 2017.

Typed lecture notes will be posted on MyCourses in advance of each lecture.

Any required articles listed under each topic will be posted on course reserve to supplement the required textbook.

Lectures and Office Hours

To accommodate students from different time zones, the lecture material will be released via pre-recorded asynchronous videos in lieu of class time. All lecture material, e.g., typed lecture notes and videos, will be posted on myCourses.

The scheduled class time will take the form of virtual office hours that are optional and not recorded. You are received on a first-come, first-served basis and not by appointment. You sit in a virtual waiting room until the instructor is ready to admit you. If you use the opportunity, you are expected to “arrive” prepared (i.e., with their questions ready) and to be efficient so that the maximum number of students can make use of the available time.

In some instances, e.g., when demand for office hours is high, the professor may hold optional live Q&A sessions during the scheduled class time. The live Q&A sessions are open to the entire class and will be announced in advance via myCourses.

Unless stated otherwise, office hours and live Q&A sessions will be conducted via the software Zoom. A link to the Zoom meeting will be provided via the announcements in myCourses.

Evaluation

Component	Weight (% of Total Grade)	Due date
Midterm Exam I	25 %	February 19, 17:00
Midterm Exam II	25 %	March 26, 17:00
Final Exam	50 %	TBA by the Exams Office

The final exam is scheduled during the exam period. While the professor will announce the date and time of the final exam, the student is ultimately responsible for ensuring the accuracy of the information.

All exams are open-book take-home exams, where students are permitted to use all class resources, e.g., lecture notes, textbooks and videos.

An open book take-home exam is more challenging than a timed in-class closed book exam to account for the differences in available resources and duration. The exam questions will reward solid grasp and higher order comprehension of the course material beyond the mere memorization of the lecture material. For this purpose, the exam questions will be designed in a manner that answers qualifying for any non-failing grade cannot directly be copied down from the lecture notes and/or internet resources.

Each exam will be posted 48 hours prior to the due date and you will have 48 hours to complete each exam. Late submissions will not be accepted under any circumstances and will receive a score of zero.

Each exam is cumulative with respect to topics. The tentative coverage of topics for each exam is listed under the Tentative Class Schedule.

Unless otherwise announced, all exams will be distributed and submitted via myCourses. Each exam must be completed individually and handed in as a single PDF file. Formats other than a single PDF file will NOT be accepted.

Each exam must be completed individually without any assistance from third parties, e.g., classmates and/or private tutors. Communication during the duration of the exam with third parties, e.g., classmates,

private tutors, who may influence one's exam performance is a form of academic dishonesty.

There are no make-up, deferred or supplemental midterm exams. The weight of any midterm exam missed for a valid documented reason will be transferred to the final exam.

Grade Criterion

Letter	Points	Percent	Letter	Points	Percent	Letter	Points	Percent
A	4.0	85 – 100	B	3.0	70 – 74	C	2.0	55 – 59
A-	3.7	80 – 84	B-	2.7	65 – 69	D	1.0	50 – 54
B+	3.3	75 – 79	C+	2.3	60 – 64	F	0.0	00 – 49

At the end of each course, the instructor submits a letter grade for every student registered. Grade point average (GPA) is used for the evaluation of academic achievement, honours standing, prizes and academic standing.

All grades are subject to departmental approval. The grade distribution must comply with the department's grading norms. In case of conflict between the grade criterion and department policy, the department policy prevails. Adjustments (up or down) made to comply with department policy cannot be used as grounds for appeals.

Technical Requirements

- Each student is expected to have a reliable Internet connection to access all course materials as well as synchronous activities, e.g., office hours.
- To submit PDF copies of your answers to exams, it is the student's responsibility to have access to a scanner and a PDF converter on an electronic device such as a desktop, a laptop, a tablet or a cell phone.
- It is each student's responsibility to download and access software such as Zoom.

Tentative Class Schedule

Note that some course material may not be covered and other may be added at a later point in time.

1. Introduction, Dates: January 7

Required readings:

VHS, Chapters 1, 10 (pp. 435 – 441) and 19 (pp. 721 – 722)

2. Regulation of Monopoly: Static Issues, Dates: January 12 – 19

Required readings:

VHS, Chapters 3, 8 (pp. 365 – 372) and 12

3. Enforcement of Regulation, Dates: January 21 – 26

Required readings:

Hindricks, Jean and Gareth D. Myles (HM), *Intermediate Public Economics*, 2nd Edition. MIT Press, 2013, pp. 590 - 593.

4. Alternatives to Regulation of Monopoly: Public Enterprise and Franchise Bidding, Dates: January 28 – February 4

Required readings:

VHS, Chapter 11

5. Regulation of Monopoly: Dynamic Issues, Dates: February 9 – 11

Required readings:

VHS, Chapter 14

Midterm Exam I, Due Date: February 19, 17:00 EST

Tentative coverage: Topics: 1 – 5.

6. Oligopoly, Collusion and Antitrust, Dates: February 16 – 23

Required readings:

VHS, Chapter 4

7. Measuring Market Structure and Detecting Collusion, Dates: February 25 – March 9

Required readings:

VHS, Chapters 5 and 15

8. Merger Policy: Horizontal and Vertical Mergers, Dates: March 9 – 16

Required readings:

VHS, Chapters 6 and 7

Midterm Exam II, Due Date: March 26 17:00 EST

Tentative coverage: Topics 1 – 8 with the latter topics 5 – 8 being more heavily weighted.

9. Environmental Regulation, Dates: March 18 – 30

Required readings:

VHS, Chapter 21

10. Regulation of Health Insurance Markets: Adverse Selection, Dates: April 1 – 8

Required readings:

Lecture notes only

11. Regulation of Health Insurance Markets: Moral Hazard, Dates: April 13 – 15

Required readings:

Bhattacharya, Jay, Timothy Hyde and Peter Tu (BHT), *Health Economics*. Palgrave MacMillan, 2014, pp. 203 - 227.

Final Exam, Date: TBA

Tentative coverage: Topics 1 – 11 with the topics 9 – 11 being more heavily weighted.

Required Statements

Language of Submission:

In accordance with McGill University's [Charter of Students' Rights](#), students in this course have the right to submit in English or in French any written work that is to be graded.

Academic Integrity:

McGill University values academic integrity. Therefore, all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the [Code of Student Conduct and Disciplinary Procedures](#).

Text-Matching Software:

As per McGill University's [Policy on Text-Matching Software](#), this course uses such software. Item 2 of the Policy states, in part, that, "*Students shall also be informed in writing before the end of the drop/add period that they are free, without penalty of grade, to choose an alternative way of attesting to the authenticity of their work. Instructors shall provide students with at least two possible alternatives that are not unduly onerous and that are appropriate for the type of written work.*"

If you prefer an alternative way of attesting to your work's authenticity be used, you may choose to...

- Submit copies of multiple drafts;
- Submit photocopies of sources;
- Take an oral examination directed at issues of originality; or,
- Respond in writing to a quiz or questions directed at issues of originality.

Student Assessment Policy:

The [University Student Assessment Policy](#) exists to ensure fair and equitable academic assessment for all students and to protect students from excessive workloads. Students are encouraged to review this Policy, which addresses multiple aspects and methods of student assessment (e.g., the timing of evaluation due dates and weighting of final examinations).

Copyrighted Materials:

Instructor-generated course materials (e.g., handouts, notes, summaries, exam questions, etc.) are protected by law and may not be copied or distributed in any form or in any medium without explicit permission of the instructor. Note that infringements of copyright can be subject to follow up by the University under the [Code of Student Conduct and Disciplinary Procedures](#).

Inclusive Learning:

While I endeavor to provide an inclusive learning environment, if you experience barriers to learning in this course, do not hesitate to discuss them with me and/or with the [Office for Students with Disabilities](#).

End-of-Course Evaluations:

[End-of-Course Evaluations](#) are one of the ways that McGill works towards maintaining and improving the quality of courses and the student's learning experience. You will be notified by e-mail when the evaluations are available.

Students' Rights:

Additional policies governing academic issues that affect students can be found in the [Handbook on Student Rights and Responsibilities](#).

Extraordinary Circumstances Statement:

In the event of extraordinary circumstances beyond the University's control, the content and/or evaluation scheme in this course is subject to change.

Copyright of lectures Statement:

All slides, video recordings, lecture notes, etc. remain the instructor's intellectual property. As such, you may use these only for purposes of your own learning (and research, with proper referencing/citation). You are not permitted to disseminate or share these materials; doing so may violate the instructor's intellectual property rights and could be cause for disciplinary action.

Lecture/Conference/Seminar Recording Statement:

By enrolling in a remote course, you accept that fixed sessions will be recorded. You must consent to being recorded if you attend a lecture or participate in a component of a course that is being recorded. You will be notified through a "pop-up" box in Zoom if a lecture or portion of a class is being recorded. If you are not comfortable being in a class that is recorded, you may decide to not take part by logging off Zoom. Students who log off will be able to later watch the video recording in myCourses.

For pedagogical reasons and for the enrichment of the experience of all students, attendance may be monitored and/or active participation may be expected or required during fixed (synchronous) class time. As such, you may be asked to turn on your camera and audio. **If you do not have the necessary resources (e.g., adequate Internet bandwidth or equipment) to do so, inform your instructor at the beginning of term so appropriate accommodations can be made.**

In addition to the recording of your image and voice, your name (or preferred name) may be displayed on screen, and your instructor may call your name during the lecture. As such, this personal information

will be disclosed to classmates, whether during the lecture or in viewing the recording. By remaining in classes that are being recorded, you accept that personal information of this kind may be disclosed to others, whether during the lecture or when viewing the recording.

Etiquette Statement:

The University recognizes the importance of maintaining teaching spaces that are respectful and inclusive for all involved. To this end, offensive, violent, or harmful language arising in contexts such as the following may be cause for disciplinary action:

1. Username (use only your legal or preferred name)
2. Visual backgrounds
3. "Chat" boxes

To maintain a clear and uninterrupted learning space for all, you should keep your microphone muted throughout your class, unless invited by the instructor to speak.

You should follow instructors' directions about the use of the "chat" function on remote learning platforms.