

# Industrial Organization

Contemporary Theory  
and Empirical Applications

Fifth Edition

Lynne Pepall

Dan Richards

George Norman

**WILEY**

# Contents

About the Authors	v
Preface to the Fifth Edition	vii
<b>Part One Foundations</b>	<b>1</b>
1 Industrial Organization: What, How, and Why	2
2 Basic Microeconomics	19
3 Market Structure and Market Power	47
4 Technology and Cost	64
<b>Part Two Monopoly Power in Theory and Practice</b>	<b>91</b>
5 Price Discrimination and Monopoly: Linear Pricing	92
6 Price Discrimination and Monopoly: Nonlinear Pricing	119
7 Product Variety and Quality Under Monopoly	142
8 Commodity Bundling and Tie-In Sales	173
<b>Part Three Strategic Interaction and Basic Oligopoly Models</b>	<b>213</b>
9 Static Games and Cournot Competition	214
10 Oligopolistic Price Competition	242
11 Dynamic Games and First and Second Movers	264
<b>Part Four Anticompetitive Behavior and Antitrust Policy</b>	<b>283</b>
12 Entry Deterrence and Predation	284
13 Predatory Conduct: More Recent Developments	316
14 Price Fixing, Repeated Games, and Antitrust Policy	349
<b>Part Five Contractual Relations Between Firms</b>	<b>385</b>
15 Horizontal Mergers	386
16 Vertical and Conglomerate Mergers	427

iv Contents

17	Vertical Price Restraints	459
18	Non-Price Vertical Restraints	486
<b>Part Six Non-Price Competition</b>		<b>515</b>
19	Advertising, Market Power, and Information	516
20	Research and Development	548
21	Patents and Patent Policy	578
<b>Part Seven Networks, Auctions, and Strategic Policy Commitment</b>		<b>611</b>
22	Network Issues	612
23	Auctions: Basic Theory and Applications	637
24	Strategic Commitments and International Trade	661
Answers to Practice Problems		677
Index		695