Topics Covered through Exam 1
Use lectures, readings, class discussions, and problem sets to guide your review.

1. Overview and Review:
   - cost concepts, profit-maximization, welfare

1B. Antitrust Overview:
   - Case law versus Statutory law
   - Historical background
   - Sherman, Clayton, and FTC Acts

2. Monopoly and Dominant Firms:
   - Monopoly profit-maximization & degree of market power (single- & multi-plant)
   - Dominant firm models (behavior, equilibrium)
   - CATV discussion

3. Game Theory: Intro & Static Models
   - Structure of games
   - Solution and equilibrium concepts (dominant, dominated, rationalizable strategies; Nash equilibrium; backward induction and sub-game perfection)
   - Static one-shot games (Cournot, Bertrand, Bertrand variants, Stackelberg)

4. Game Theory: Repeated Games
   - Bertrand Trigger Strategy Games (model, solution technique, critical $\delta$ interpretation)
   - Rotemberg-Saloner (time-varying demand) variant
   - Borenstein-Shepard gasoline market study (mark-ups over seasonal cycles)

5. Tacit Collusion & Facilitating Practices
   - GE-Westinghouse Case discussion
   - Reaching agreement for tacit collusion
   - Facilitating maintenance of tacit collusion
   - Enforcing tacit agreements

6. Cartels
   - Definition, determinants of cartel success
   - Behavior (symmetric, asymmetric firms)
   - Facilitating devices
   - OPEC case discussion

7. Market Structure and Performance
   - Performance and structure measures; issues in measurement
   - Endogeneity of market structure (Demsetz critique)
   - Intra-industry studies
     - Reduced-form studies (Borenstein on airlines)
     - Structural models (assumptions, identification): intuition on how to infer price taking rather than market power by firms

8. Horizontal Antitrust Policy (Mergers)
   - Motivations for mergers
   - Trade offs between market power and cost reductions
   - United States merger policy, DOJ/FTC Guidelines
   - Market definition