ECON 8602-Industrial Organization: Firm Dynamics
University of Minnesota, Fall, 2001 Session 2
Lecture: TTh 12:45-2:30, SocSci 1383

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Phone: (612) 625-0767 Office Hours: Tuesday, 3:45-5:45

Description This course will cover theoretical and empirical models of firm
dynamics.

Grading There will be three problem sets (45 % of the grade), a class
presentation of a paper on the reading list (15 %) and a final exam
(40 %).

Readings The list of readings follow. Those with a * or ** will get more
emphasis. Those with ** can be chosen for the class presentation.
Many of the required readings are available from JSTOR
http://www.lib.umn.edu/articles/ej.phtml (click on JSTOR).
Some are available from my web site
http://www.econ.umn.edu/kortum/

Topics By week:

1. (10/25) Concepts of the Firm

2. (10/30, 11/1) Firm Growth and the Size Distribution
     (RAND), 1978: 508-523.
     (Sept. 7): 1818-1820.
   - Gabaix, “Zipf’s Law for Cities: An Explanation,” QJE, 1999:
     739-767.

• Stanley, Buldyre, Havlin, Mantegna, Salinger, and Stanley, “Zipf Plots and the Size Distribution of Firms,” *Econ. Letters*


3. (11/6, 11/8) **Adjustment Costs and Competitive Equilibrium**


4. (11/13, 11/15) **Firm Entry and Exit**


5. (11/20) **Firms and International Trade**


7. (12/4, 12/6) Endogenous Technological Change

8. (12/11, 12/13) Innovating Firms and Growth
• *Klette and Kortum, “Innovating Firms and Aggregate Innovation”.
• Klette, “How and Why do Firms Differ?” (seminar 12/12).

9. Final ()