Question 1.

Read Section 2 in the Merger Guidelines, “The Potential Adverse Competitive Effects of Mergers” (see link at the course home page). In terms of the models we have discussed in class, how would you illustrate in a model, the DOJ and FTC’s concern with “Lessening of Competition Through Coordinated Interaction.” How would you illustrate the concern with "Lessening of Competition Through Unilateral Effects."

Question 2. Go to the DOJ’s list of cases filed since 1994 on the web. Cases are listed alphabetically by the last name of individual defendants, by company name, or by the entity’s first name. Pick a case with the same first letter as your first name or last name.

(a) Briefly describe facts of the case.

(b) Briefly state the laws underlying DOJ’s action, i.e. What law does the DOJ claim is being violated?

(c) Briefly discuss the economics underlying the law. Do you think the application of this law in this case contributes to increasing efficiency?