

ECO 610
Fall 2005

Instructions for Industry Analysis Assignment

A major (30%) portion of your grade in this course will come from your analysis of a particular industry of your choosing. Your assignment is to choose an industry that you have some interest in, and to research that industry so that you become something of an expert. Sources that you might use for your research include library and internet resources, as well as discussions with persons knowledgeable about the industry.

Your research should follow the outline of an industry study discussed in Chapter 10 of *Economics of Strategy* by Besanko, Dranove, Shanley, and Schaefer. In other words, you should do a five-forces analysis of your industry. The types of questions you should consider in analyzing your industry are outlined in Appendix 10.1 of the Besanko, et. al. textbook.

You should convey your research findings in a business-style memorandum. Imagine that you have been given the assignment to research a particular industry because a large corporation (your client or employer) is thinking about investing in this industry. You should write a six-to-eight page memorandum (12 pt. font, double-spaced, one-inch margins) addressed to the executive committee. Make sure that you appropriately cite all of the outside references that you use, because the company will not want to make an important decision based on unreliable sources or flimsy evidence and research.

Attach as an appendix to your memorandum a copy of each of the sources that you use. If you cite a book or long article, only include the title page and the pages you refer to in your report. For short articles from periodicals, newspapers, and internet sources, include the entire piece. Then in your memo you can use very brief citations to your sources, e.g. see Appendix A-1.