

## ECON 321, Class 25: Berry and Waldfogel: Product Variety/Newspapers

1. Read the introduction.
2. Read sections II(i) and II(ii). Graph the marginal costs curves for the two cases. Think intuitively about why they lead to different product proliferation results.
3. Skim II(iii).
4. Read III(i) and skim III(ii).
5. Read IV(i) focusing on newspaper results. Same for IV(ii).
6. In Table III column 5 and Table V column 2, consider a 10% increase in the population that does not affect the proportion of young and old. How much does this increase (a) the percentage of equivalent firms and the percentage of average staff at the newspaper, and (b) the absolute number of equivalent firms and the number of average staff.
7. Skim Section V.