

Tying, Foreclosure and Section 2 of the Sherman Act

Lecture Five: Efficient Foreclosure

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Part V: Efficiency Defenses for Quantity Forcing Contracts

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 - Kolay, Shaffer and Ordober (2004) show how all-units discounts can serve as a way to exercise second degree price discrimination
 - Mills (2004) provides a model to explain the use of discounts based on share of market acquired rather than absolute size.

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- The actions of the merchant, though, are either not observable or not contractible.

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