

MERGER ANTITRUST LAW

LAWJ/G-1469-05
Georgetown University Law Center
Fall 2023

Tuesdays and Thursdays, 11:10 am – 1:10 pm
Dale Collins

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CLASS 13 WRITTEN ASSIGNMENT

Instructions

Submit by email by 11:10 am on Thursday, October 12

Send to wdc30@georgetown.edu

Subject line: Merger Antitrust Law: Assignment for Class 13

Assignment: Calls for answers to questions (not in a memo form). *I encourage you to work in groups on this assignment*

Consider again digital-do-it-yourself (DDIY) tax products, this time with some different (fictitious) data. Do H&R Block and TaxACT by themselves constitute a relevant product market under the 2010 Merger Guidelines for a 5 percent SSNIP? Do TurboTax, H&R Block, and TaxACT constitute a relevant product market for the same SSNIP? If the DOJ wants to challenge the merger, what market definition should it allege (all things considered) and why?

Here is the data the investigation developed:

Prevailing conditions

	TT	H&R	TaxAct	
Price	55	25	11	
%Margin	0.5	0.4	0.2	
Marginal cost	27.5	15	8.8	(constant marginal costs)
Quantity	1,131	624	855	
%SSNIP	5%	5%	5%	
%Actual loss	-10.00%	-12.50%	-25.00%	

Diversion ratios (for single-product SSNIPs)

From:	TT	To : H&R	TaxACT	Total Recapture
TT	x	30.0%	9.0%	39.0%
H&R Block	30.0%	x	26.8%	56.8%
TaxAct	25.0%	27.7%	x	52.7%

If you have any questions, send me an email. See you in class.