

ECONOMICS 421: Law and Economics

Winter 2007

Mr. Kearn

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consultation: TTh 1:30-2:45 p.m.; TTh 4:30-6:00

Texts: *The Economic Approach to Law*, Thomas J. Miceli

Grading:

midterm 100
final 150
paper graded on 1 to 5 scale
homework neutral if 7 assignments completed; half grade penalty if fewer than 7 assignments completed

Paper:

Your paper is to be a comprehensive, critical review of the relevant law-and-economics literature. For examples, see the *The Journal of Economic Literature*. Please select from one of the following topics:

“Wealth Maximization, Economic Efficiency and the Common Law”
“Deterrence, Optimal Punishment and the Economics of Crime”
“The Economics of Judicial Decision Making, Precedent and Legal Change”

The paper will not be accepted beyond the date noted on the course schedule. You must submit a paper to get a grade in the course.

Problems:

There are 7 homework assignments. You must complete all assignments per the attached schedule.

Problem assignments will not be accepted beyond the date noted on the course schedule. Assignments are not graded except that if you submit fewer than 7, you lose half of a grade.

	reading	assignments
<u>Foundations</u>		
Jan 9 The Court System and a Short History of the Common Law	1	
Jan 11 Consumer, Market Demand, Consumer Surplus	1:appendix	
Jan 16 Producers, Market Supply, Producer Surplus		
Jan 18 Norms, Welfare Economics, Efficiency		
Jan 23 Uncertainty, Dependent Risks, Moral Hazard, Adverse Selection		
<u>Tort Law</u>		
Jan 25 Unilateral Care	2	
Jan 30 Bilateral Care		
Feb 1 The Hand Rule and Reasonable Person Standard		2:1,2,3,4,5
Feb 6 Contributory Negligence		
Feb 8 Sequential Care		
Feb 13 Comparative Negligence, Causation		
Feb 15 Activity Levels		
Feb 22 Damages Issues: Punitive Damages, Judgement Proof Defendants Liability Insurance, Litigation Costs		
Feb 27 Legal Error, Statute of Limitations		
Mar 1 Applications: Products Liability, Workplace Accidents	3	
Mar 6 Applications: Environmental Damages, Malpractice		3:1,2,3,4,5
<u>Contract Law</u>		
Mar 8 Contract Formation	4	
Mar 13, 15, 20 NO CLASS		4:1,2,3,4
Mar 15	MIDTERM EXAM	TESTING CENTER
Mar 22	PAPER DUE (at or before class)	
Mar 22 Specific Performance	5	
Mar 27 Self Enforcing Contracts		5:1,2,3,4
<u>Property Law</u>		
Mar 29 Coase Theorem	6 to p 185	1:3,4; 6:2,3,4,5
<u>Economics of Dispute Resolution</u>		
Apr 3 Settlement and Litigation	8	
Apr 5 English v. American Rules		
Apr 10 Contingent Fees		8:1,2,3,4
<u>Economics of Crime</u>		
Apr 12 Economic Model of Crime	9 to p 313	
Apr 17 Optimal Punishments, Plea Bargaining		9:1,2,3,4,5,6
Saturday, April 21	FINAL EXAMINATION	2:30 p.m.-5:30 p.m. 150 HRCB