

SYLLABUS

Course: Law and Economics
Office: 118 Thomas Hall (phone: 376-4630)
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Course Home Page: <http://www.marietta.edu/~delemeeg/econ360>

Course Description and Objectives

Law and economics is a natural marriage. Economics is the science of rational choice in a world in which resources are limited relative to human desires. The legal environment, in turn, determines the "rules of the game" as played by rational agents. Thus it is quite natural for economists to question the origin, nature, and consequences of the "rules of the game" as they pertain to individual and group behavior.

Among the important issues that we will address throughout this course are:

- How does the legal system shape economic incentives in ways that lead to socially optimal behavior?
- How does one measure the benefits and costs of changes in legal rules?
- What is the nature of private property in a market economy?
- What is the appropriate role of a legal system in settling private disputes?

This course has a strong policy orientation. Topics include product liability law, the economics of crime, pollution, government takings, and bargaining theory. Upon completing this course you should be able to:

- understand the effects of the legal system on economic behavior.
- understand discussions involving law and economics.
- ask good questions, both to yourself and to others.
- make good conjectures regarding the answers.

Text/Websites

We will be using *Law and Economics*, by Robert Cooter and Thomas Ulen, 5th edition (Addison-Wesley, 2007). The web site for the text is www.cooter-ulen.com. A list of additional readings will be provided later.

Course Requirements and Policies

1. **Exams.** There will be **three exams** given. Exams will consist of essay, analytical, and true-false-explain questions and be based on the readings, lectures, problem sets, and experiments. Make-up exams will not be offered without a college-approved excuse.
2. **Problem Sets.** There will be **three problem sets** distributed. You will submit answers to selected questions prior to each exam. Several exam questions may come directly from the problem sets.
3. **Moot Court.** You will participate in a mock trial involving a fictitious legal dispute as part of either the prosecution or defense team. The prosecution and defense are required to submit a written brief to the instructor summarizing their respective arguments prior to their oral arguments.
4. **Class Attendance and Participation.** An active learning approach is essential to doing well in this course. Consequently, you should expect to actively ask and answer questions during class. See the section on Responsibilities below.
5. **Academic dishonesty** is a breach of the trust that the instructor and your fellow classmates place in you and will not be tolerated. Academic dishonesty includes cheating, plagiarism, theft, or improper manipulation of laboratory or research data or theft of services. A substantiated case of

academic dishonesty may result in disciplinary action, including a failing grade on the project, a failing grade in the course, or expulsion from the College" (Marietta College Undergraduate Programs, 2008-2008 Catalog, p. 138). All suspected cases will follow the procedures outlined in the Marietta College Catalog. **Copyright violations** are also quite serious breaches of the law. Please visit the MC copyright tips page for further details.

6. **Academic support services** and resources are available at Marietta College's Academic Resource Center (ARC) located on the third floor of Andrews Hall.
7. Students with **documented disabilities** should notify the instructor and the Academic Resource Center to discuss their individual needs for accommodation in a timely manner.
8. **Co-curricular probation** for those on academic probation is in effect. Please refer to the college catalog for details (Marietta College Undergraduate Programs, 2008-2009 Catalog, p. 144).
9. Your **grade** will be determined as follows:

<p style="text-align: center;">Grades are allocated as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="padding: 5px;">Exams</td> <td style="text-align: center; padding: 5px;">65%</td> </tr> <tr> <td style="padding: 5px;">Problem Sets (average of your best 7 scores)</td> <td style="text-align: center; padding: 5px;">15%</td> </tr> <tr> <td style="padding: 5px;">Moot Court</td> <td style="text-align: center; padding: 5px;">20%</td> </tr> </table>	Exams	65%	Problem Sets (average of your best 7 scores)	15%	Moot Court	20%	<p style="text-align: center;">Grades will be assigned according to the following plus/minus system, using standard rounding methods:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="padding: 5px;">Grade ==></th> <th style="padding: 5px;">A+</th> <th style="padding: 5px;">A</th> <th style="padding: 5px;">A-</th> <th style="padding: 5px;">B+</th> <th style="padding: 5px;">B</th> <th style="padding: 5px;">B-</th> <th style="padding: 5px;">C+</th> <th style="padding: 5px;">C</th> <th style="padding: 5px;">C-</th> <th style="padding: 5px;">D+</th> <th style="padding: 5px;">D</th> <th style="padding: 5px;">D-</th> <th style="padding: 5px;">F</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Percent Score</td> <td style="text-align: center; padding: 5px;">97+</td> <td style="text-align: center; padding: 5px;">93-96</td> <td style="text-align: center; padding: 5px;">90-92</td> <td style="text-align: center; padding: 5px;">87-89</td> <td style="text-align: center; padding: 5px;">83-86</td> <td style="text-align: center; padding: 5px;">80-82</td> <td style="text-align: center; padding: 5px;">77-79</td> <td style="text-align: center; padding: 5px;">73-76</td> <td style="text-align: center; padding: 5px;">70-72</td> <td style="text-align: center; padding: 5px;">67-69</td> <td style="text-align: center; padding: 5px;">63-66</td> <td style="text-align: center; padding: 5px;">60-62</td> <td style="text-align: center; padding: 5px;">59-</td> </tr> </tbody> </table>	Grade ==>	A+	A	A-	B+	B	B-	C+	C	C-	D+	D	D-	F	Percent Score	97+	93-96	90-92	87-89	83-86	80-82	77-79	73-76	70-72	67-69	63-66	60-62	59-
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Econ 350 Course Schedule: Fall 2008

Day	Reading	Topic/Event
August 26	1,2	Intro/Microeconomics Review
August 28	2	Microeconomics Review
September 2	3	Legal Institutions
September 4	4	Economic Theory of Property
September 9	4	Experiment 1: Coase Theorem
September 11	4	Economic Theory of Property
September 16	5	Topics in Property Law
September 18	5	Topics in Property Law
September 23		Exam 1
September 25	6	Economic Theory of Contract
September 30	6	Economic Theory of Contract
October 2	7	Topics in Contract Law
October 7	7	Topics in Contract Law
October 9	8	Economic Theory of Tort
October 14		Four Day Break
October 16	8	Economic Theory of Tort
October 21	9	Topics in Tort Liability
October 23	9	Topics in Tort Liability
October 28		
October 30		Exam 2
November 4	10	Economic Theory of the Legal Process
November 6	11	Economic Theory of Crime
November 11		Guest Speaker: John Lott
November 13	11	Economic Theory of Crime
November 18	12	Topics in Crime and Punishment
November 20		Washington County Court trip*
November 25	12	Topics in Crime and Punishment
November 27		Thanksgiving Break
December 2		
December 4		Moot Court
December 10	Noon	Exam 3