

University of California, San Diego
Department of Economics

Class Syllabus – Fall 2003

Econ 118 Law and Economics

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Class schedule: Tu and Thurs 2:00-3:20, Warren Lecture Hall 2005

This course uses economic theory as the basis for evaluating the economic efficiency of both actual and theoretical legal doctrines in several legal fields. Basic principles of law will be discussed and economic theory applied to questions posed by the law. The legal fields to be discussed include torts (accidents), property, contracts, criminal law (law enforcement), and litigation. Issues of risk bearing and why people buy insurance will also be discussed.

There are two textbooks for this course: *An Introduction to Law and Economics*, by A. Mitchell Polinsky, and *Law and Economics*, by Robert Cooter and Thomas Ulen. The Polinsky book provides a theoretical framework, while the Cooter-Ulen book provides background on the law and discussion of policy issues. Note: either the 3rd or 4th edition of the Cooter-Ulen book is fine.

Instead of a lecture on Oct 2, there will be an in-class review of microeconomic concepts used in the course and the economics of risk aversion. There will be an in-class midterm on October 30 and 2 graded problem sets. There will also be a final exam at the scheduled time.

Course website: econ.ucsd.edu/~miwhite/econ118. Everything will be posted on the course website, including lecture notes, assignments, and additional questions and problems for study purposes (answers will be posted with a lag). If you have a question about the course, please check the course website first.

Grading: Final grades will be calculated as follows: each graded problem set = 5%, midterm exam = 45% and final exam = 45%.

Reading assignments
(the number of weeks to be devoted to each topic is approximate)

I. Introduction (1 lecture)

Cooter/Ulen, chs. 1 and 3.

II. Risk Aversion and Insurance (1 lecture)

Cooter/Ulen, ch. 2 (pp. 49-58).
Polinsky, ch. 7.

III. Litigation Behavior---Why are lawsuits filed and how are they resolved? (1 wk)

Cooter/Ulen, ch. 10.
Polinsky, ch. 14.

IV. Tort (Accident) Law (2 1/2wks)

Cooter/Ulen, chs. 8 and 9, part III.
Polinsky, chs. 6 and 9.

V. Criminal Law (1 wk)

Cooter/Ulen, chs. 11 and 12.
Polinsky, ch. 10.

VI. Property Law and the Coase Theorem (2 wks)

Cooter/Ulen, ch. 4 and 5.
Polinsky, chs. 3,4 and 12

VI. Contract Law (1 wk)

Cooter/Ulen, ch. 6.
Polinsky, chs. 5 and 8.