

University of California, San Diego
Department of Economics

Syllabus – Winter 2007

Econ 118: Law and Economics

Prof. Michelle J. White
Room 320, Department of Economics
Email: miwhite@ucsd.edu

TAs and their office hours are listed on the course website

Class schedule: Tu and Thurs 12:30 – 1:50, Center Hall 119

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), product liability law, property law, criminal law (law enforcement), and litigation. Issues of risk bearing and why people buy insurance will also be discussed. (A follow-up course to be offered in Spring 2007 will examine contract law, corporate governance, debtor-creditor law, and bankruptcy.)

There are two textbooks for this course: *An Introduction to Law and Economics*, 2nd or 3rd edition, by A. Mitchell Polinsky, and *Law and Economics*, 3rd or 4th edition, 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. Both books are on reserve at the SSH library.

There will be an in-class midterm on Feb 22 and a final exam on March 20th from 11:30 - 2:30 (the scheduled time). Please make sure that you can take the exams at these times. I will post ungraded study questions on the course website each week or at the end of a section—answers will be posted with a lag.

Course website: www.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: midterm exam = 50% and final exam = 50%.

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, chapter entitled "Suit, Settlement and Trial."

IV. Tort (Accident) Law, Mass Tort Litigation, and Products Liability Law, (3 1/2wks)

Cooter/Ulen, chs. 8 and 9, part III.
Polinsky, chs. titled "Automobile Accidents," "Auto Accidents Again" and "Products Liability"
White, Michelle J., ["Asbestos and the Future of Mass Torts,"](http://www.econ.ucsd.edu/~miwhite/p183.pdf) *Journal of Economic Perspectives*,
vol. 18:2, Spring 2004. (available at www.econ.ucsd.edu/~miwhite/p183.pdf)

V. Criminal Law (1 ½ wk)

Cooter/Ulen, chs. 11 and 12.
Polinsky, ch. "Law Enforcement Using Fines" and "Law Enforcement Using Prison"

VI. Property Law and the Coase Theorem (2 ½ wks)

Cooter/Ulen, ch. 4 and 5.
Polinsky, chs. 3,4 and the chapter titled "Pollution Control"