

**ECON 484**  
**3 credit hours**  
**Lecture & Discussion**

**Law and Economics**  
**Syllabus**

**Spring, 2016**  
**T, R 9:30am - 10:50am**  
**Room: TBA**

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Office Hours: TBA

**REQUIRED TEXT:** Cooter, R. And T. Ulen, *Law and Economics* (6th ed.), Addison Wesley, 2012.

**PREREQUISITES:** Principles and Intermediate Microeconomic theory

**SUPPLEMENTAL MATERIALS:** I have posted course materials on the Internet, including notes and a study guide for each chapter. This material can be accessed by going to the course home page at <http://courses.atlas.illinois.edu/spring2016/ECON/ECON484/>. I will also provide handouts to you at various times during the semester. It is your responsibility to ensure you obtain copies of all of these materials.

**COURSE GOAL AND OBJECTIVES:** The *goal* of this course is to provide you with a basic understanding of the economic analysis of specific areas of common law in the United States. The course is designed to cover a broad range of topics, ranging from the implications of property law and contract law for economically efficient behavior to the effects of tort law and criminal law on the incentives for individuals to conduct themselves in a socially desirable manner. To achieve this goal, we will work through a series of *objectives* that include:

- identification and mastery of the basic tools of economic theory we will use to analyze specific areas within the common law;
- understanding the basic features of the common law process in the United States and the process by which common law is made;
- examination of the basic features of property law and the incentives it creates for individuals to behave in an economically efficient behavior;
- examination of the basic features of contract law and the incentives it creates for individuals to behave in an economically efficient behavior, including efficient breach of contract, reliance, and formation defenses and performance excuses;
- examination of the basic features of tort law, with particular emphasis on different liability rules and the incentives they create for individuals to behave in an economically efficient manner; and
- examination of the basic features of criminal law and the incentives it creates for individuals to behave in an economically efficient behavior.

**ASSESSMENT:** Your grade in the course will be based on your performance on four exams.

- Each exam will consist of a combination of multiple-choice questions and short-answer problems that require the use of verbal, graphical, and algebraic analysis.
- The exams will be given on the days indicated in the course schedule. The four exams are worth 25 percent each.
- **NO MAKE-UP EXAMS WILL BE GIVEN** *unless arrangements have been made with me prior to the regularly scheduled exam.*

**GRADUATE STUDENTS:** Graduate students taking the course for full graduate credit must also write a paper (approximately 13-15 pages) in which they summarize and synthesize at least two papers from the economics literature that address a topic at the interface of law and economics. The weight on each of the exams will be reduced by 5 percent and the paper will account for 20 percent of the student's grade.

**GRADING SCALE:** The grading scale for the course is:

$97.5 \leq x \leq 100\%$	= A+	$87.5 \leq x < 89.5\%$	= B+	$77.5 \leq x < 79.5\%$	= C+	$67.5 \leq x < 69.5\%$	= D+
$92.5 \leq x < 97.5\%$	= A	$82.5 \leq x < 87.5\%$	= B	$72.5 \leq x < 77.5\%$	= C	$62.5 \leq x < 67.5\%$	= D
$89.5 \leq x < 92.5\%$	= A-	$79.5 \leq x < 82.5\%$	= B-	$69.5 \leq x < 72.5\%$	= C-	$59.5 \leq x < 62.5\%$	= D-
						Below 59.5	= F

### *Course Rules*

1. **Class attendance:** Show up for class—on time. Showing up late is disrespectful and disruptive to me and to your fellow students. Missing class is your decision and your problem to address—not mine. I do not, under any circumstances, provide “recaps” to students who miss class. If you miss class, get the notes from the course website, and get additional notes from a classmate.

2. **Preparation for class:** Read the text before you come to class. I have you buy the book because I use it.

3. **Missing an exam:** No make-up exams will be given unless arrangements have been made with me *prior* to the regularly scheduled exam. The *only* acceptable reasons for missing an exam are *serious illness* and *death of an immediate family member*. In addition, I must be notified of the student’s impending absence *before* the exam begins.

In those cases where a student will miss a regularly scheduled exam due to travel as part of a recognized University organization, the exam must be taken *before* the student’s departure. I will accommodate such requests but only if the travel plans have been described, in writing, with an attached verification letter *at least one week before travel is to occur*.

4. **Policy on cell phones and other electronic devices:** Cell phones must be turned off before you enter the classroom. I will not tolerate the use of cell phones, e.g., voice or text messaging, during class under *any* circumstances. Thus, the use of any type of electronic device other than a simple calculator during exams is prohibited. Any use of such devices will be considered cheating and will be dealt with accordingly. There are *no exceptions* to these rules.

5. **Policy on cheating:** Violations of academic integrity as described in the Code on Campus Affairs will be taken *extremely* seriously. Students found cheating in the course (or helping others to cheat) will be penalized according to the Code’s guidelines. [http://admin.illinois.edu/policy/code/article1\\_part4\\_1-402.html](http://admin.illinois.edu/policy/code/article1_part4_1-402.html)

6. **Policy on extra credit:** There is no such thing. Don’t even ask.

**DISABILITY ACCOMMODATIONS:** To obtain disability-related academic adjustments and/or auxiliary aids, students with disabilities must contact the course instructor and the Disability Resources and Educational Services (DRES) as soon as possible. To contact DRES you may visit 1207 S. Oak St., Champaign, call 333-4603 (V/TTY), or e-mail a message to [disability@uiuc.edu](mailto:disability@uiuc.edu).

### *TENTATIVE COURSE SCHEDULE*

(Note: Exam dates are subject to change)

<i>Week</i>	<i>Dates</i>	<i>Text Material</i>	<i>Action Items</i>
1	1/19	Chapter 3: <i>An Introduction to Law and Legal Institutions</i>	Usual pain and suffering
	1/21	Chapter 4: <i>An Economic Theory of Property</i> (All) 6 <sup>th</sup> ed. (pp.70-106) 5 <sup>th</sup> ed. (pp. 74-111)	Usual pain and suffering
2	1/26	Chapter 4: continued	Usual pain and suffering
	1/28	Chapter 4: continued	Usual pain and suffering
3	2/2	Chapter 4: continued	Usual pain and suffering
	2/4	Chapter 5: <i>Topics in the Economics of Property Law</i> 6 <sup>th</sup> ed. (pp. 112-135; 143-150; 166-181) 5 <sup>th</sup> ed. (pp. 119-143; 150-157; 174-189)	Usual pain and suffering
4	2/9	Chapter 5: continued	Usual pain and suffering
	2/11	Chapter 5: continued	Usual pain and suffering

<b>Week</b>	<b>Dates</b>	<b>Text Material</b>	<b>Action Items</b>
5	2/16 2/18	Chapters 3-5 Chapter 6: <i>An Economic Theory of Tort Law</i> 6 <sup>th</sup> ed. (pp. 187-225) 5 <sup>th</sup> ed. Ch. 8 (pp. 322-361)	<b>Exam #1</b> Usual pain and suffering
6	2/23 2/25	Chapter 6: continued Chapter 6: continued	Usual pain and suffering Usual pain and suffering
7	3/1 3/3	Chapter 6: continued Chapter 7: <i>Topics in the Economics of Tort Liability</i> 6 <sup>th</sup> ed. (pp. 230-247; 251-257; 261-268) 5 <sup>th</sup> ed. Ch. 9 (pp. 367-385; 389-393; 398-406)	Usual pain and suffering Usual pain and suffering
8	3/8 3/10	Chapter 7: continued Chapter 7: continued	Usual pain and suffering Usual pain and suffering
9	3/15 3/17	Chapters 6 and 7 Chapter 8: <i>An Economic Theory of Contract</i> 6 <sup>th</sup> ed. (pp. 276-299) 5 <sup>th</sup> ed. Ch. 6 (pp.195-233)	<b>Exam #2</b> Usual pain and suffering
10	3/21-25	<b>SPRING BREAK</b>	<b>RELAX</b>
11	3/29 3/31	Chapter 8: continued Chapter 8: continued	Usual pain and suffering Usual pain and suffering
12	4/5 4/7	Chapter 9: <i>Topics in the Economics of Contract Law</i> 6 <sup>th</sup> ed. (pp. 307-331; 341-372) 5 <sup>th</sup> ed. Ch. 7 (pp. 245-269; 279-310) Chapter 9: continued	Usual pain and suffering Usual pain and suffering
13	4/12 4/14	Chapter 9: continued Chapters 8 and 9	Usual pain and suffering <b>Exam #3</b>
14	4/19 4/21	Chapter 12: <i>An Economic Theory of Crime</i> 6 <sup>th</sup> ed. (pp. 454-470; 474-480) 5 <sup>th</sup> ed. Ch. 11 (pp. 485-502; 510-518) Chapter 12: continued	Usual pain and suffering Usual pain and suffering
15	4/26 4/28	Chapter 12: continued Chapter 13: continued 6 <sup>th</sup> ed. (pp. 485-509; 526-532) 5 <sup>th</sup> ed. Ch. 12 (pp. 519-542; 561-567)	Usual pain and suffering Usual pain and suffering
16	5/3 5/5	Chapter 13: continued Reading Day	Usual pain and suffering
17	5/12 (TR) 7-10 pm	Chapters 12 and 13	<b>Exam #4</b>