

University of California, San Diego
Department of Economics

Class Syllabus – Fall 2005

Econ 118A Law and Economics

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TAs: *(to be announced)*

Class schedule: Tu and Thurs 9:30 – 10:50, 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), product liability law, property law, 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*, 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 October 25 and a final exam on Dec 8th from 8-11am (the scheduled time). Please make sure that you can take the exams at these times. There will also be two graded problem sets.

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: 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 and Products Liability Law (3 1/2wks)

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

V. Criminal Law (1 ½ wk)

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

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

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