

# Note for 2008: shift to the Miceli or Wittman textbook?

University of California, San Diego  
Department of Economics

**Syllabus – Fall 2007**

**Econ 118: Law and Economics**

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TAs and office hours will be listed on the course website

Class schedule: Tu and Thurs 12:30 – 1:50, Center Hall 101

This course uses economic theory as the basis for evaluating the economic efficiency of both actual and theoretical legal doctrines in several legal fields. We will discuss the basics of law in each field and then use economic analysis to consider whether the law encourages parties to behave in an efficient manner. 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 winter 2008 will examine economics of contract law, corporate governance, debtor-creditor law, and bankruptcy.)

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. Old editions of either book are fine. Both books are also on reserve at the SSH library.

Question/answer sessions: There will be an optional question/answer session most Tuesday evenings at 7p. Location and schedule will be announced.

Exams: There will be an in-class midterm on Nov 1 and a final exam on Dec 14th from 11:30 - 2:30 (the scheduled time). Please make sure that you can take the exams at these times. I will post study questions on the course website most weeks—answers will also be posted with a lag.

Everything will be posted on the course website at webct, including lecture notes, assignments, and study questions. ***If you have a question about the course, please check the course website first.***

Final grades will be calculated as follows: midterm exam = 50% and final exam = 50%. If you have questions about grading, you must see the TA within two weeks after the exam is returned.

## **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."  
New York Times article, "Cases Keep Flowing In, but the Jury Pool is Idle."  
White, Michelle J., "[Asbestos and the Future of Mass Torts](#)," *Journal of Economic Perspectives*, vol. 18:2, Spring 2004.

### IV. Tort (Accident) Law 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"

### V. Criminal Law (1 ½ wks)

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"