

SAMPLE SYLLABUS

Econ XXX Law and Economics

This is a one-semester course designed to introduce students to the fundamentals of law and economics, focusing on the common law areas of torts, contracts, property, criminal law, legal procedure, and antitrust law. The course presumes a familiarity with principles of microeconomics but no background knowledge of law. The primary reading for the course is:

Thomas J. Miceli, *The Economic Approach to Law*, 3rd Edition, Stanford Univ. Press, 2017.

In addition, key articles and cases are provided as a resource for further inquiry, class discussions, and/or written assignments.

Course Outline and Readings

I. Introduction

Text: Chapter 1

Coase, Ronald (1960) "The Problem of Social Cost," *Journal of Law and Economics*, Vol. 3, pp. 1-44.

II. Tort Law

A. The Economic Model of Accidents

Text: Chapter 2

Brown, John (1973) "Toward an Economic Theory of Liability," *Journal of Legal Studies*, Vol. 2, pp. 323-349.

Cooter, Robert (1985) "Unity in Torts, Contracts, and Property: The Model of Precaution," *California Law Review*, Vol. 73, pp. 1-51.

U.S. v. Carroll Towing Co., 159 F.2d 169, 2d Cir. (1947).

B. Applying the Model of Accidents

Text: Chapter 3

Landes, William and Richard Posner (1985) "A Positive Economic Theory of Products Liability," *Journal of Legal Studies*, Vol. 14, pp. 535-567.

MacPherson v. Buick, 217 N.Y. 382, 111 N.E. 1050 (1916).

III. Contract Law

A. Defining a Valid Contract

Text: Chapter 4

Hamer v. Sidway, 124 N.Y. 538, 27 N.E. 256, Court of Appeals of New York (1891).

Posner, Richard (1977) "Gratuitous Promises in Economics and Law," *J. Legal Stud.*, Vol. 6, pp. 411-426.

Alaska Packers' Assn. v. Domenico, 117 F. 99, 9th Cir. (1902).

Goebel v. Linn, 47 Mich. 489, 11 N.W. 284 (1882).

Hirshleifer, Jack (1971) "The Private and Social Value of Information and the Reward to Inventive Activity," *American Economic Review*, Vol.61, pp. 561-574.

Kronman, Anthony (1978) "Mistake, Disclosure, and Information," *J. Legal Stud.*, Vol. 7, pp. 1-34.

Sherwood v. Walker, 66 Mich. 568, 33 N.W. 919, Mich. (1887).

B. Remedies for Breach of Contract

Text: Chapter 5

Shavell, Steven (1980) "Damage Measures for Breach of Contract," *Bell Journal of Economics*, Vol. 11, pp. 466-490.

Hadley v. Baxendale, 9 Ex. 341, 156 Eng. Rep. 145 (1854).

Posner, Richard and Andrew Rosenfield (1977) "Impossibility and Related Doctrines in Contract Law: An Economic Analysis," *J. Legal Stud.*, Vol. 6: 83-118.

Friedmann, Daniel (1989) "The Efficient Breach Fallacy," *J. Legal Stud.*, Vol. 18, pp. 1-24.

Peevyhouse v. Garland Coal & Mining Co., 382 P.2d 109, *cert. denied*, 375 U.S. 906, Okla. (1962).

IV. Property Law

A. Property Rights and Consensual Exchange

Text: Chapter 6

Demsetz, Harold (1967) "Toward a Theory of Property Rights," *American Economic Review*, Vol. 57, pp. 347-359.

B. Non-consensual Exchange and Regulation of Property

Text: Chapter 7

Calabresi, Guido, and A. Douglas Melamed (1972) "Property Rules, Liability Rules, and Inalienability: One View of the Cathedral," *Harvard Law Review*, Vol. 85: 1089-1128.

Boomer v. Atlantic Cement Company, 26 N.Y.2d 219, 309 N.Y.S.2d 312, 257 N.E.2d 870, Court of Appeals of New York (1970).

Spur Industries v. Del E. Webb Development Co., 108 Ariz. 178, 494 P.2d 700 (1972).

Miceli, Thomas J. and Kathleen Segerson (2007) *The Economics of Eminent Domain: Private Property, Public Use, and Just Compensation*, Foundations and Trends in Microeconomics, Vol. 3, Issue 4.

Mugler v. Kansas, 123 U.S. 623 (1887).

Pennsylvania Coal Co. v. Mahon, 260 U.S. 393 (1922).

Lucas v. South Carolina Coastal Council, 112 S.Ct. 2886, 505 U.S. 1003 (1992).

Kelo v. New London, 125 S.Ct. 2655, 545 U.S. 469 (2005).

V. The Economics of Crime and Law Enforcement

Text: Chapter 8

Becker, Gary (1968) "Crime and Punishment: An Economics Analysis," *Journal of Political Economy*, Vol. 76, pp. 169-217.

Stigler, George (1970) "The Optimum Enforcement of Laws," *Journal of Political Economy*, Vol. 78, pp. 526-536.

Schenk v. United States, 249 U.S. 47 (1919).

VI. Legal Procedure and Dispute Resolution

Text: Chapter 9

Cooter, Robert and Daniel L. Rubinfeld (1989) "Economic Analysis of Legal Disputes and Their Resolution," *Journal of Economic Literature*, Vol. 27, pp. 1067-1097.

Rubin, Paul (1977) "Why is the Common Law Efficient?" *Journal of Legal Studies*, Vol. 6, pp. 51-63.

Priest, George (1977) "The Common Law Process and the Selection of Efficient Rules," *Journal of Legal Studies*, Vol. 6, pp. 65-82.

VII. Antitrust Law

Text: Chapter 10

Gilbert, Richard and Oliver Williamson (1998) "Antitrust Policy," in *The New Palgrave Dictionary of Economics and the Law*, P. Newman, ed., Vol. 1, pp. 82-88.

Standard Oil Co. v. United States, 221 U.S. 1, (1911).