# Economic Analysis of the Law
## Economics 390(1), Spring 2017
### Tuesdays and Thursdays, 11:00 A.M. – 12:15 P.M.
### Classroom CPS 322, Office CPS 416
### Scott Wallace
### Office Phone: (715) 346-4358
### Office Hours:  M W 1:00 – 1:50 PM, T R 10:00 – 10:50 AM

## About the Course.

This course is an introduction to the fundamentals of law and economics.  We will use microeconomic tools to examine the common law areas of torts, contracts, and property.  The common law is the body of law that is the result of courts resolving legal disputes.  Decisions by appellate courts create common-law rules (precedents) that inform and constrain the decisions of lower courts in future cases.   We analyze how these precedents shape economic incentives and thus affect the behavior of individuals.  In addition, the course uses economic logic to evaluate the efficacy of common law rules in achieving social goals.

This course presumes that students have completed a principles of microeconomics course (Econ 111) but no background knowledge of law.  The primary reading for this course is:

> Thomas Miceli, *The Economic Approach to Law*, Second Edition, Stanford University Press (2008).

## Course Requirements.

Your grade in the course will be based on class participation/attendance, homework, two midterm exams, and a final exam.  The breakdown of your final grade will be as follows:

| | | |
|---|---|---|
| Class Participation/Attendance | 20% | |
| Homework | 20% | Periodically |
| First Exam | 20% | Thursday, March 2 |
| Second Exam | 20% | Thursday, April 13 |
| Final Exam | 20% | Wednesday, May 17 (8:00 -10:00) |

Class attendance and class participation are required.  In addition to lecture, we will be doing in-class exercises that will require your participation.  The in-class exercises are designed to illustrate the important economic concepts and ideas I will introduce during the class lecture.  You will face similar questions on your homework assignments and exams.  It is critical that you make every effort to attend each class.  There is a stiff penalty for those who do not regularly attend class.  A student is allowed four absences without penalty.  Every subsequent absence will result in subtracting three points from your final grade average.

Homework will largely consist of analytical problem solving and short answer questions. These questions will provide valuable practice for exams. Student cooperation and discussion of the material and homework is encouraged, but the homework you hand in must be your own work. Any evidence to the contrary will result in a zero grade for your homework. All homework is due at the beginning of the class period. No late homework will be accepted. In calculating your homework average, I will drop the lowest score.

Exams will consist of a mixture of definitions, short essays, and problem-solving questions. I do not give make up exams. Only under the most extraordinary of circumstances will I excuse a student from taking an exam. You will need my prior consent and proof of the relevant circumstances to be excused. If you do miss an exam (legitimately), I will reallocate the its weight onto the final exam to compensate for the missed exam.

Your final grade will be based upon the calculation of your final average based upon the above weights.

| | |
|---|---|
| A | 92.5+ |
| A- | 90.0 – 92.4 |
| B+ | 87.5 – 89.9 |
| B | 82.5 – 87.4 |
| B- | 80.0 – 82.4 |
| C+ | 77.5 – 79.9 |
| C | 72.5 – 77.4 |
| C- | 70.0 – 72.4 |
| D+ | 65.0 – 69.9 |
| D | 60.0 -  64.9 |
| F | 59.9 and Below |

# Course Outline and Reading Assignments.

## I.  Introduction to Law and Economics

A.  Introductory Comments

- Miceli, Chapter 1

## II. Tort Law

A.  An Economic Model of Accidents

- Miceli, Chapter 2

B.  Applying the Model of Accidents – Product Liability

- Miceli, Chapter 3, pp. 58 -72

## III. Contract Law

A. Defining a Valid Contract

- Miceli, Chapter 4

B. Remedies for Breach of Contract

- Miceli, Chapter 5

## IV. Property Law

A. The Economics of Property Law

- Miceli, Chapter 6

B. Involuntary Transfers and Regulation of Property

- Miceli, Chapter 7