Text: Jeffrey L. Harrison, Law and Economics 2d ed. (2007). Because I am the author of this book, there is a conflict of interest. There should be plenty of used copies for sale on Amazon and elsewhere.

**Objectives:** The economic analysis of law is now about 50 years old. In its traditional version, legal rules are analyzed to determine whether they are efficient. In a more modern version of the course, not only is the efficiency of various legal rules considered but the analysis extends to the underlying assumptions economists make about behavior and the usefulness of applying economics to a field (law) that is heavy with moral connotations. The course you are enrolled in is designed to cover all of these questions. In other words, is it appropriate to apply economics to law If so, when, and what are the conclusions one would reach?

**The basics:** This course is completely appropriate for economics beginners. People who have had economics courses or even a law and economics course are also welcome. I have found no correlation between prior exposure to economics and performance on the exam.

We meet once a week for two hours. The format is lecture/discussion. I will bring up topics from the readings and you are expected to contribute to the discussion. I will assume you have read the material and we will go from there. If you just sit there and take notes both you and I are likely to be bored and we would not want that, would we? Stellar class participation can help your grade.

The final exam is an open-book, multiple choice test in which you must explain your answers. Most of the score depends on the explanation.

The Assignments:

**Week 1, Jan. 7**

Chapter 1 Introduction

Demand and supply, 1-23

**Week 2, Jan. 14**

Elasticity, Incidence analysis, marginal utility, 23-24
Risk aversion, 28-34
Efficiency, 34-43

Week 3, Jan. 25

Externalities, Free-riding, Public goods: 43-58
Chapter 2, Behavioral Assumptions
Rationality and self interest: 63-67, 88-90

Week 4, Jan. 28

Psychic income: 91-100, 101-109
Decision biases, 118-120, 133-139
Happiness, no reading assignment

Week 5: Feb. 4

Chapter 3 The Coase Theorem
Introduction: 142-161
Transaction Costs and Mimicking the Market: 161-174, 177-179
The evolution of Law: no assignment

Week 6: Feb 11

More on Coase Theorem 181-191,
Protecting Entitlements: 191-201, 206-214

Chapter 3: Contracts
Intro: 216-227,

Week 7 Feb. 18:

More Contracts:
235-245, 246-253
Specific rules: 253-’264,

Week 8 Feb 25

More Contracts:
Remedies: 267-278,
Risk allocation: 279-284, 285-292, 293-304

Week 9 March 11
Torts:

Negligence and Contributory Negligence: 306-311, 316-338
Comparative Negligence; 339-352

Week 10 March 18

Strict Liability and Duty to Rescue: 352-360, 362-374
Damages issues: 386-402, 415-428

Week 11 March 25 (no class: we will make this up with a review session)

Week 12 April 1
Criminal Law:

Why punish? 429-445
Externalities and victimless crimes, 445-463
Efficient levels of crime: 473-478
The POP: 487-498

Week 13 April 8

IP issues:
Copyright: 694-707
Trademark: 708-713

Week 14

TBA