

Course Syllabus

Econ 265: Law and Economics

Buckman 212

Tuesday and Thursday, 12:30 to 1:45 P.M.

Mike Hammock

Introduction:

Law and Economics is a relatively young field, spearheaded by economists such as Posner, Landes, and Coase. It is concerned with the economic efficiency of legal rules, from criminal law to civil law to constitutional law. We will discuss the theory and history of law through the prism of economics. Those of you who have studied law before from a noneconomist's perspective should expect to relearn much of what you have already learned, as economists view the world differently. We are concerned with the incentive effects of legal rules, as economics has little to say about justice or fairness.

A few general words about this course:

-There is a great deal of reading in this course. You are expected to complete all the readings before the class in which they will be discussed., and to bring a copy of the assigned readings to class. The readings should be available in the class's public folder.

-I will tend not to spell everything out for you. Instead, I will try to make you figure out the answers, from the readings and from your background in economics.

Contact Information:

Feel free to contact me via email whenever you like. I prefer to communicate via email (hammockm@rhodes.edu) rather than phone, but you may call me at 901-843-3123 if it is important. My office is Buckman 329C. My official Office Hours are Tuesdays and Thursdays from 2:00 to 3:30, and by appointment. Please do not ask for permission to stop by during office hours; that's what they're for. Just stop by. If my door is closed, knock. I'm here nearly all the time; if I'm not in my office, I'm eating, sleeping, or playing soccer, so chances are good that you'll find me in. If there is a silver-grey 2004 Mazda 3 sedan in the parking lot next to Buckman, I'm around somewhere.

Reading Material:

The primary text for the course is Cooter and Ulen's *Law and Economics*, 5th Edition, Pearson Education, Inc, 2008. Additional reading materials will be provided. I highly recommend David Friedman's *Law's Order*, Princeton University Press, 2000. It is available, at zero price, online [here](#). I personally prefer to have a printed copy. Finally, I will refer to papers in the Encyclopedia of Law and Economics, available at zero price online [here](#).

Honor Code:

I take the honor code very seriously. You will all abide by it. Every time you sign your name to your work you are reaffirming your commitment to the honor code. If you have questions about it, ask me. You are expected to behave in a manner such that your academic integrity is beyond question.

Attendance:

I do not believe in taking attendance; you are adults, and I should not have to baby sit you. If you want to skip class, you may skip class. There may be indirect consequences for doing so.

Usually I do not like participation grades because they are too subjective. This class depends heavily, however, on student participation in class discussion. I expect everyone to contribute. Therefore I will be systematically calling on students to answer questions about the readings; if you are unable to answer a question because you did not read, then you will lose points from your participation grade. It pays to do the readings.

If for some reason you miss an assignment, exam, or other credited work due to absence, your assignment grade will be knocked down to a maximum of 75% credit. After 24 hours the maximum will be 50% credit. After 48 hours you will get zero credit. If you wish to contest this reduction you must submit a signed explanation to me, which I alone will judge fit or unfit.

If you miss a class, you are responsible for asking your classmates for notes, assignments, syllabus and schedule changes, and so on. Do not ask me for a copy of my lecture notes, a summary of what we covered in class, or any other materials from classes missed.

Assignments:

I will be assigning readings throughout the semester, and you will be expected to write a paper on the economics of a court decision. There will be no homework assignments.

Exams:

There will be three exams. The first two exams will not be cumulative. The final exam *will be cumulative*. You will be responsible for *all course material* on the final exam, although its primary focus will be on newer material.

Accommodations:

If you need special accommodation (time-and-a-half, a separate room, etc.) please contact Disability Services and notify me at the beginning of the semester.

Grades:

Your grade in this course will be determined thusly:

Participation: 10%

Paper: 15%

Exam 1: 20%

Exam 2: 20%

Final Exam: 35%

Grading Scale:

A	93.00-100	B	83.00-86.99	C	73.00-76.99	D	63.00-66.99
A-	90.00-92.99	B-	80.00-82.99	C-	70.00-72.99	D-	60.00-62.99
B+	87.00-89.99	C+	77.00-79.99	D+	67.00-69.99	F	59.99& below

This grading scale is not negotiable, and I do not round grades up or down. If you get a 69.99999 in class, then you get a D+. *Do not ask me for mercy or for a higher grade.* You will only make me irritable. On the other hand, *do* make sure that I have added your points correctly, and that I have calculated your grade correctly.

Schedule and Class Dates:

Please note the final exam dates. You can see what they are now. Schedule accordingly. If you come to my office to tell me that you planned a flight out of town and would like to take the exam early, I will be rather put out. The only excuses I will accept for rescheduling final exams are 1) absence due to death of a family member and 2) you have two or more exams in other classes on the same day. ***OTHERWISE, DO NOT ASK FOR A CHANGE IN EXAM DATES.***

There is an extraordinary amount of reading, as you can see below. Keep up with it, or you will quickly fall behind. Once you fall behind it will be nearly impossible to catch up. Anything you read in a book chapter is fair game for an exam, even if we don't explicitly discuss it in class. More mathematical material is less likely to be covered on exams.

Thursday	August 28	Syllabus, textbook chapter 1. Skim textbook chapter 2
Tuesday	September 2	An overview of the legal system, Textbook chapter 3. <i>Law's Order</i> chapters 1-3.

Thursday	September 4	Law in the Classical World and Middle Ages: Aristotle on Property Rights, Rome and her descendants. Milgrom, North, and Weingast, "The Role of Institutions in the Revival of Trade: The Law Merchant, Private Judges, and the Champagne Fairs", working paper, December 1989.
Tuesday	September 9	The Common Law: Property. Textbook chapter 3, Coase's The Problem of Social Cost , <i>Law's Order</i> chapters 4 and 5.
Thursday	September 11	More on Property Law. Alchian's entry on Property Rights in the CEE , textbook chapter 5.
Tuesday	September 16	More on Property Law.
Thursday	September 18	Intellectual Property, for and against. <i>Law's Order</i> , chapter 11. Kinsella, Against Intellectual Property .
Tuesday	September 23	The Common Law: Contracts. Textbook chapter 6.
Thursday	September 25	More on Contract Law. Textbook chapter 7.
Tuesday	September 30	More on Contract Law.
Thursday	October 2	The Common Law: Torts. Textbook chapter 8.
Tuesday	October 7	More on Tort Law: Textbook chapter 9.
Thursday	October 9	More on Tort Law
Tuesday	October 14	Posner's Hypothesis: Is the Common Law Efficient? <i>Law's Order</i> chapter 19. Rubin's Why is the Common Law Efficient? , and Judge Made Law , Tullock's "The Case Against The Common Law".
Thursday	October 16	Exam 1: The Common Law
Thursday	October 23	Exam Debriefing. Intro to Criminal Law. Textbook chapter 11.
Tuesday	October 28	More on Criminal Law.
Thursday	October 30	More on Criminal Law: Deterrence. Textbook chapter 12: II and IV. Donohue and Wolfers, Uses and Abuses of Empirical Evidence in the Death Penalty Debate ,
Tuesday	November 4	More on Criminal Law: Handguns. Textbook chapter 12: VI. Lott and Mustard , "Crime, Deterrence, and Right-to-Carry Concealed Handguns" <i>Journal of Legal Studies</i> vol 26: 1, 1997, 1-68. Ayres and Donohue's Shooting down the "More Guns, Less Crime" Hypothesis .
Thursday	November 6	Exam 2: Criminal Law
Tuesday	November 11	Exam 2 Debriefing.
Thursday	November 13	Antitrust Law: Historical context and micro review. <i>Law's Order</i> chapter 16.
Tuesday	November 18	More on Antitrust Law: John S. McGee, "Predatory Price Cutting: The Standard Oil Case," <i>Journal of Law and Economics</i> , volume5, 1958, 137-168. Cayseele and Van den Bergh's Antitrust .
Thursday	November 20	Lecture by Art Carden: The Role of Legal Systems in Economic Development
Tuesday	December 2	Constitutional Economics. Voigt's Constitutional Law .
Thursday	December 4	Alternative Legal Systems: <i>Law's Order</i> chapter 17, Benson's Enforcement of Private Property Rights in Primitive Societies: Law without Government
Tuesday	December 9	Review for final exam.
Monday	December 15	Final Exam, 1:00 P.M. To 3:30 P.M.