**Econ 334 Law and Economics[[1]](#footnote-2)**

Fall 2021

|  |  |
| --- | --- |
| MC 311 | Lecture: MW 6.30-7.45 am (EST) |
| Jun He | Email: [jun.he@trincoll.edu](mailto:jun.he@trincoll.edu) |
| Office hours: M 1.30-2.30 pm; F 1.30-3 pm | Zoom: [4325198931](https://trincoll.zoom.us/j/4325198931) |

# Course Description

This course teaches how to understand the structure and evolution of the legal system from an economic perspective. Selected rules and institutional forms that are drawn from the common law of tort, contract, property, and crimes are studied. Students are expected to develop economic intuition and master the application of microeconomic theories to analyzing how laws handle disputes that mostly arise from imperfect information, externalities, and moral hazard.[[2]](#footnote-3)

# Course Requirement

No prior knowledge of the law is required, but students are presumed to have training in fundamental microeconomics. Mastery of calculus (derivative and optimization theory specifically), game theory, and industrial organization is preferred. The course will emphasize both content and methodology. Readings for the course are mainly from the textbook:

Thomas J. Miceli, *The Economic Approach to Law,* Stanford Univ. Press, 3rd Edition, 2017, ISBN-13: 978-1503600065

This is an undergraduate-level text aimed at economics majors with a solid background in intermediate microeconomics. For students who have an interest in exploring this subject further, supplemental author notes are available at <http://sup.org/economiclaw/>.

# Grades

The break-down of course grade is as follows:

Class Attendance/Engagement: 10%+5%

Homework problems: 20%

Presentation: 15%

Midterm exam\*2: 15%

Final exam: 20%

# Class Participation

Any student who attends class infrequently may be assessed a grade penalty for poor class participation. I also consider pertinent questions posed during the student hours or via emails as engagement. Students are encouraged to preview pertinent readings posted regularly during weekends on Moodle. The engagement is evaluated by short quizzes posted approximately once per week on Moodle together with students’ in-class performance.

# First Week

According to the college policy, the first week will be on zoom.

The Zoom link is: <https://trincoll.zoom.us/j/92986369093?pwd=UXlmSHZXRDFRUmVneS8vOUxiNVhBUT09>.

Zoom ID: 929 8636 9093, password: 000000. (Note that this differs from the office hours zoom.)

Whether the teaching resumes in person is pending the decision of the college.

# Assigned readings

It is your responsibility to read in time to familiarize yourself with the background and setup of models. Reading, though not graded, is essential to ensure a good performance in the class, which is strongly related to the textbook. My class will strictly follow the outlined plan below.

# Homework Assignments

Periodic homework problems will be assigned. I will post the assignments and announcements on Moodle. Collaboration on HW is encouraged, but students must submit their own copies of homework. *Late submissions of assignments* will receive a 15 points penalty per day unless explained by a legitimate excuse notified on or prior to *the submission day*. Excuse later than the due day will not be accepted.

# Supplemental Resources

Supplemental materials (lecture outlines, answer keys to assignments, supplemental reading materials) will be posted on Moodle. Please check Moodle at least once per week for updates. You may find useful resources from <http://sup.org/economiclaw/>.

***Office hours***: I will be standing by on [Zoom](https://trincoll.zoom.us/j/4325198931) during the time of office hours. Students have to book an opening with Calendly: <https://calendly.com/junhe_trin/office-hours>.

***Teaching Assistant***: Henry Barbour is the TA for this class. He can be reached at [henry.barbour@trincoll.edu](mailto:henry.barbour@trincoll.edu). His office hour is 4-5 pm Wed at [Zoom](https://us02web.zoom.us/j/2395917491?pwd=RVoyNHVZYmRqUklJMEhId2p3Tk16QT09) (239 591 7491, password: Y1K68N).

# Presentation

There are three presentation opportunities. Students will study a law case in the domain of that module and present the core case. More detailed will be presented in a file titled presentation.

# Exams

Information about the midterm and final will be announced in class. Ex-post excuses after missing an exam will not be accepted. Accommodations, if any, have to be requested per the instruction under the “Accommodation” section.

**Extra Credit:** There will be no extra credit paper offered in this class, so please do not ask for such an opportunity after exams or at the end of the semester. Instead of trying to boost your grade with extra course work, FOCUS on studying and performing well on the mandatory class material. Also, incomplete requests are not accepted.

# Course Outline and Readings[[3]](#footnote-4)

1. Chapter 1. Introduction to Efficiency, Equity, and Comparative Juris-prudence

Comparison between Civil law and common law system (pp. 197)

Coase Theorem (pp. 7-10; 180-190)

Product rule v. liability rule (pp. 190-196)

1. Chapter 2. Tort Law

Fundamentals of Tort Law (pp. 18)

The Unilateral Model of Precaution (pp. 19-22)

Social optimum (pp. 19)

Injurer’s decision (pp. 20)

Strict Liability, No Liability, and Negligence Rules (pp. 22-23, 25)

The Hand-Rule (pp. 26-28)\*

Extension of the Unilateral Model

Punitive damages and Misenforcement (pp. 47-50)

Activity Levels (pp. 37-39)

-- presentation 1

-- Midterm 1

The Bilateral Model of Precaution (pp. 23-26, 30-32)\*

Chapter 3. Product Liability, (pp. 58-73, core: 63-70).

Invariant efficiency to assignment of liability

Misperception and comparative advantage against risk

1. Property Law

Chapter 6. Fundamentals

Emergence of Property Rights (pp. 147-153)

Legal protection of property rights and the protection model (pp. 154)

Land protection system (pp. 155-160)\*

Leasing, the model of the Law of Waste (pp. 161-163)

-- presentation 2

-- Midterm 2

Chapter 7. Takings Law (Eminent Domain, pp. 205-217)

Public Use and the scope of takings (pp. 206)

Just compensation (pp. 211-213)

The model of eminent domain vs. land-use incentive (pp. 214-217)

1. Contract Law

Chapter 4. Defining a Valid Contract

Elements of a valid contract (pp. 92)

Reasons for invalidating contract and market economy (pp. 94-97)

Chapter 5. Remedies for Breach

Efficient Breach of contract (pp. 111-114)

Different compensation rules (pp. 113-116)

Model of efficient Reliance (pp. 116-121)

-- presentation 3

-- Final Exam

**Agreement**

By signing up for this course, you are expected to get all the materials recommended for this course (textbook & WebAssign), attend all the lectures, and follow syllabus.

**Covid-19**

Students are encouraged to review relevant college policies regularly to stay up to date. Students are required to always have masks on (covering both mouth and nose) during the full class sessions. Use of food and beverages are not allowed in the classroom.

**Grading**

You can refer to the student handbook for a more detailed explanation of the grading policies. Below I am providing the numerical values for the main ones: (**F if below 60 points**).

|  |  |  |
| --- | --- | --- |
| A+ | A | A- |
| 97-100 | 93-96.99 | 90-92.99 |
| B+ | B | B- |
| 87-89.99 | 83-86.99 | 80-82.99 |
| C+ | C | C- |
| 77-79.99 | 73-76.99 | 70-72.99 |
| D+ | D | D- |
| 67-69.99 | 63-66.99 | 60-62.99 |

# Time Commitment

While the exact time commitment for the class will vary individually and over the semester, I recommend that you budget approximately three to four out-of-class hours for every class hour to complete the reading, assignments, homework, and project. I have designed the class so that it should be feasible to satisfactorily complete the requirements with approximately nine to ten hours per week of time commitment. If you are spending more time than this on a regular basis, I encourage you to check in with me.

# Accommodation Statement

Trinity College is committed to creating an inclusive and accessible learning environment consistent with the Americans with Disabilities Act. If you have approval for academic accommodations, please share your accommodation letter during the first two weeks of the semester or a minimum of 10 days prior to needing your accommodations. You may choose to email me a PDF copy of your letter. If you do so, please copy [SARC@trincoll.edu](mailto:SARC@trincoll.edu) on the email and be sure to meet with me privately to discuss the implementation of your accommodations. If you do not have a letter but have a disability requiring academic accommodations, or have questions about applying for accommodations, please contact Lori Clapis, Coordinator of Accessibility Resources at 860-297-4025 or [Lori.Clapis@trincoll.edu](mailto:Lori.Clapis@trincoll.edu).

# Academic Integrity

The faculty and administration support an environment free from cheating and plagiarism. Each student is responsible for being aware of what constitutes cheating and plagiarism and for avoiding both. See the complete text of the Academic Integrity Policy and the Trinity College procedure of implementation at <http://internet2.trincoll.edu/facman/doc0009.html>.

Students are encouraged to study and learn together, but any work you submit must be your own. Any form of academic dishonesty, including (but not limited to) copying another student’s work on ***any*** assignment or exam, allowing another student to copy your work, use of unauthorized materials on an exam, plagiarism, or having someone else do your work will result in disciplinary action that may include an F grade on the assignment, an F grade in the course and could result in suspension or expulsion from the College. There is zero tolerance for academic dishonesty.

1. This is a tentative syllabus thus is potentially subject to changes and revisions. I sincerely welcome questions, thoughts, and suggestions regarding this course. [↑](#footnote-ref-2)
2. Please note that this is not a law course and is not aimed to function in lieu of legal trainings. [↑](#footnote-ref-3)
3. Readings from the textbook supplemented with journal articles. Articles marked with a "\*" will be more pertinent to the content covered in class; the others are suggested. Pages are specific to the 3rd Edition and may differ for other versions. [↑](#footnote-ref-4)