This course will explore the application of economic principles to legal doctrines. The course is intended to develop an understanding of the economic implications of legal rules, how economic concepts can be incorporated into legal rules, and how economic analysis fits into litigation.

The economic approach to law seeks to determine the consequences of legal rules by identifying the incentives created by a legal framework. By predicting the behavior of affected parties, economic analysis can judge the effectiveness of legal rules in improving social welfare. We will analyze the economic implications of court decisions using concepts such as supply and demand, game theory, the “expected value” of different outcomes based on different legal rules, transactions costs, alternative definitions of economic efficiency, etc. These economic tools will be used to (1) identify the key economic issues, (2) evaluate whether and how the decision affects wealth and utility for the parties, (3) explain how the precedence of the decision will affect the incentives of individuals or companies in the future, (4) forecast the implications of the precedence on subsequent wealth, efficiency, and social welfare, and (5) evaluate how these implications would be different if a court decision had gone the other way.


REQUIREMENTS: Students will be expected to have completed the readings assigned for each class. Students will be questioned in class and on exams about the readings, and in particular about applying economic concepts to case examples in the books. Classes and exams will often involve numerical examples and graphs to illustrate particular concepts. Students will need to demonstrate a basic understanding of key legal and economic concepts in class and on exams.

GRADES: There will be an in-class midterm and final. Class participation will also be important. Final grades will be weighted: class participation 20%, midterm 30%, and final 50%.

SEATING: Students should decide where they want to sit by the second class, and sit at the seat they picked the second class for the remainder of the course. Students should sit as close to the front as possible.
CLASS RULES: Students may not speak out in class unless recognized. To keep the class on schedule, students may not be recognized or may be interrupted by the instructor. Students may not talk with each other during classes. I will be available after class to meet with students, and to arrange student meetings at other times. Students can also contact me at James.Langenfeld@naviganteconomics.com. The required outline and paper can be submitted by email (preferred) or hard copy.

TENTATIVE CLASS SCHEDULE

I. May 15, 2107 – Introduction & Basic Economic Concepts
   Readings: Cole & Grossman: Chapter 1.
   Cooter & Ulen: Chapters 1 & 2; Chapter 4 Section II

II. May 22, 2107 – Legal Institutions & Law & Economics
   Readings: Cole & Grossman: Chapters 2 & 3
   Cooter & Ulen: Chapter 3

III. June 5, 2017 – Property I
    Readings: Cole & Grossman: Chapters 4 & 5
    Cooter & Ulen: Chapter 4

IV. June 12, 2017 – Property II
    Readings: Cole & Grossman: Chapters 6 & 7
    Cooter & Ulen: Chapter 5

V. June 19, 2017 – Contracts I
    Readings: Cole & Grossman: Chapter 8
    Cooter & Ulen: Chapter 8

VI. June 26, 2017
    Midterm

VII. July 3, 2017 – Contracts II
    Readings: Cole & Grossman: Chapter 9
    Cooter & Ulen: Chapter 9
VIII. July 10, 2017 – Torts I

Readings: Cole & Grossman: Chapters 10 & 11
Cooter & Ulen: Chapter 6

IX. July 17, 2017 – Torts II

Readings: Cole & Grossman: Chapter 12
Cooter & Ulen: Chapter 7

X. July 24, 2017 – Crime & Punishment

Readings: Cole & Grossman: Chapter 13
Cooter & Ulen: Chapter 12

XI. July 31, 2017 – Antitrust

Readings: Cole & Grossman: Chapter 14

XII. August 7, 2017 – Legal Process & Course Review

Readings: Cooter & Ulen: Chapter 10

XIII. August 14, 2017

Final