

Advanced Academic Programs
Zanvyl Krieger School of Arts and Sciences
Johns Hopkins University

Law and Economics

AS.440.659.81.SU18

Course Syllabus

Contact Information for Instructor

Instructor: Wei Tan
Telephone Number: 2027660766
Email Address: wtan3@jhu.edu
Office Hours: Saturday 10am

Course Description

Techniques of microeconomic theory and game theory are applied to analyze the effects of various laws on individual decisions and on the allocation of resources. Subject areas covered include the theory of public choice, the economics of property rights, contract law, and tort law. Topics include the efficient breach of contract, the determination of damages, the economics of patents and copyrights, optimal liability rules for environmental and other torts, economics of family law, bankruptcy law, zoning law, antitrust law, and the legal process.

Prerequisite: 440.601 Microeconomic Theory and Policy.

Corequisite: 440.606 Econometrics.

Course Learning Objectives or Goals

Course Goals

When you complete the course successfully, you will be able to

1. Apply economic principles to legal doctrines.
2. Explain economic implications of legal rules, incorporate economic concepts into legal rules, and apply economic analysis in litigation.
3. Determine the consequences of legal rules by identifying the incentives created by a legal framework.
4. Identify the effectiveness of legal rules in improving social welfare.
5. Analyze the economic implications of court decisions.

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.

Course Materials

Massimo Motta, *Competition Policy Theory and Practice*, Cambridge University Press, 2014, **ISBN-13**: 978-0521016919.

Robert Cooter and Thomas Ulen, *Law & Economics* (6th Ed., 2012), download at <http://scholarship.law.berkeley.edu/cgi/viewcontent.cgi?article=1001&context=books>.

Specific Technology Requirements for Course

- Access to a computer
- Updated JAVA. Adobe Flash Player system plug-in.
- Access to Internet
- Head phone/microphone set
- Browser: download and install Chrome and Firefox for PCs. Safari for Mac computers.

Technological Skills Requirements for Course

- Ability to work with computers
- Navigate in and use Blackboard; the Blackboard Student Orientation course on your “My Institution” page
- Create and save MS Word documents; see [MS Word training and tutorials](#) for PC users (all versions); [Word Help](#) for Mac users
- Send e-mails
- Upload and download files
- Use browsers and Internet
- Participate on the Discussion Board and chats sessions
- Use the Internet for research

Learner Expectations

Please explain your expectations

University Policies

This course adheres to all University policies described in the academic catalog. A few to pay close attention to are noted below.

students with Disabilities

Johns Hopkins University is committed to providing reasonable and appropriate accommodations to students with disabilities. Students with documented disabilities should contact the coordinator listed

on the [Disability Accommodations](#) page. Further information and a link to the Student Request for Accommodation form can also be found on the [Disability Accommodations](#) page.

Ethics & Plagiarism

JHU Ethics Statement: The strength of the university depends on academic and personal integrity. In this course, you must be honest and truthful. Ethical violations include cheating on exams, plagiarism, reuse of assignments, improper use of the Internet and electronic devices, unauthorized collaboration, alteration of graded assignments, forgery and falsification, lying, facilitating academic dishonesty, and unfair competition. Report any violations you witness to the instructor. Read and adhere to JHU's [Notice on Plagiarism](#). **Dropping the Course** You are responsible for understanding the university's policies and procedures regarding withdrawing from courses found in the current catalog. You should be aware of the current deadlines according to the [Academic Calendar](#).

Getting Help

You have a variety of methods to get help. Please consult the help listed in the "Blackboard Help" link in the online classroom for important information. If you encounter technical difficulty in completing or submitting any online assessment, please immediately contact the designated help desk listed on the [AAP online support page](#). Also, contact your instructor at the email address listed atop this syllabus.

Copyright Policy

All course materials are the property of JHU and are to be used for the student's individual academic purpose only. Any dissemination, copying, reproducing, modification, displaying, or transmitting of any course material content for any other purpose is prohibited, will be considered misconduct under the [JHU Copyright Compliance Policy](#), and may be cause for disciplinary action. In addition, encouraging academic dishonesty or cheating by distributing information about course materials or assignments which would give an unfair advantage to others may violate AAP's [Code of Conduct](#) and the University's [Student Conduct Code](#). Specifically, recordings, course materials, and lecture notes may not be exchanged or distributed for commercial purposes, for compensation, or for any purpose other than use by students enrolled in the class. Other distributions of such materials by students may be deemed to violate the above University policies and be subject to disciplinary action.

Title IX

Confidentiality and Mandatory Reporting

As an instructor, one of my responsibilities is to help create a safe and inclusive learning environment on our campus. I also have mandatory reporting responsibilities related to my role as a Responsible Employee under the Sexual Misconduct Policy & Procedures (which prohibits sexual harassment, sexual assault, relationship violence and stalking), as well as the General Anti-Harassment Policy (which prohibits all types of protected status based discrimination and harassment). It is my goal that you feel able to share information related to your life experiences in classroom discussions, in your written work, and in our one-on-one meetings. I will seek to keep information you share private to the greatest extent possible. However, I am required to share information that I learn of regarding sexual misconduct, as well as protected status based harassment and discrimination, with the Office of Institutional Equity (OIE). For a list of individuals/offices who can speak with you confidentially, please see Appendix B of the [JHU Sexual Misconduct Policies and Laws](#).

For more information on both policies mentioned above, please see: [JHU Relevant Policies, Codes, Statements and Principles](#). Please also note that certain faculty and other University community members also have a duty as a designated Campus Safety Authority under the Clery Act to notify campus security of certain crimes, as well as a duty under State law and University policy to report suspected child abuse and/or neglect.

Time Management

It is expected that you look ahead to schedule your time. Plan to complete coursework across several days of the week rather than all in one day. Some assignments require that you work on them for multiple weeks. Be sure to review the assignment directions at the beginning of the course so that you can plan your time accordingly. Please seek help before becoming frustrated and spending a significant amount of time trying to resolve an issue on your own.

Course Policies

Document Submission Policies

Standard policy

Acceptable Document and Citation Formats

Late Assignment Policy

Late Discussion Board Postings

Course Participation

Changes to the Course

Frequently, you will find new announcements posted in the Announcements, which contain information about current course activities that you are working on and any changes to the course, which may include changes to readings or assignments. Please check announcements every time that you log into Blackboard.

Communicating with Others

The majority of communication will take place within the Discussion forums. When you have a question about an assignment or a question about the course, please contact your instructor, or post your question in the course's "Syllabus & Assignment Question" forum.

Contacting the Instructor

All email messages will be sent to you via your JHU email account, so you should be in the habit of checking that account every day or you should ensure that your JHU email account forwards messages to another account of your choice.

Requirements for Sending E-mail Messages

When you send an e-mail message to the instructor or to another participant in the course, please observe the following guidelines:

- Include the title of the course in the subject field (e.g., JHU Qualitative Research methods).

- Keep messages concise, and check spelling and grammar.
- Send longer messages as attachments.
- Sign your full name (the sender's email is not always obvious).

Getting Help

You have a variety of methods to get help on Blackboard. Please consult the help listed in the "Blackboard Help" link for important information. **If you encounter technical difficulty in completing or submitting any online assessment, immediately contact the 24 help desk at 855593-0086 or [online academic support live chat](#).** You should also contact your instructor at the email address listed atop this syllabus.

Assignments and Grading Policy

<i>Assignments</i>	<i>Point value x Number of such assignments in the course</i>	<i>Points Possible</i>	<i>= % of total grade</i>
Assignment 1: Discussions	10x8	80	20
Assignment 2: Homework	10x8	80	20
Assignment 3: Midterm Exam	100x1	100	30
Assignment 4: Final Exam	100x1	100	30
Assignment 5:			
Total Points for the course		360	100%

Course Grading

Letter Grade	Percentage
A+	98% to 100%
A	94% and less than 98%
A-	90% and less than 94%
B+	88% and less than 90%
Letter Grade	Percentage
B	84% and less than 88%
B-	80% and less than 84%
C	70% and less than 80%
F	0% and less than 70%

Course Schedule and Readings

Tentative Course Schedule and Readings: The instructor reserves the right to modify by adding or deleting learning materials, including readings, to help learners achieve the goals of the course. To facilitate student success, the instructor reserves the right to modify the due dates or add/delete assignments. You will be informed through Blackboard Announcements if there is a change.

Weekly Readings	Weekly Activities
<p>Week 1: Introduction & Basic Economic Concepts</p> <p>Readings:</p> <p>Cooter & Ulen: Chapters 1, 3</p>	<p>Discussion 1: Posts required- 3. Initial post by Thursday 11:59 PM ET; Two responses by Saturday 11:50 PM ET</p>
<p>Week 2 Game Theory and Legal Institutions & Law & Economics</p> <p>Readings:</p> <p>Cooter & Ulen: Chapter 2 Motta: Chapter 8</p>	<p>Homework 1: Due by Saturday 11:50 PM ET</p>

Weekly Readings	Weekly Activities
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<p>Week 3 Antitrust Law and Horizontal Merger Motta: Chapters 1 and 5</p>	<p>Discussion 2: Posts required- 3. Initial post by Friday 11:59 PM ET; Two responses by Sunday 11:50 PM ET</p> <p>2. Homework 2: Due by Saturday 11:50 PM ET</p>
<p>Week 4 Vertical Restraints Motta: Chapters 6</p>	<p>1. Discussion 3: Posts required- 3. Initial post by Friday 11:59 PM ET; Two responses by Sunday 11:50 PM ET</p> <p>2. Homework 3: Due by Saturday 11:50 PM ET</p>
<p>Week 5 Cartel Motta: Chapter 4</p>	<p>1. Discussion 4: Posts required- 3. Initial post by Friday 11:59 PM ET; Two responses by Sunday 11:50 PM ET</p> <p>Homework 4: Due by Saturday 11:50 PM ET</p>

<p>Week 6 Monopolization and Abusive Conduct Motta: Chapter 7</p>	<p>Discussion 5: Posts required- 3. Initial post by Friday 11:59 PM ET; Two responses by Sunday 11:50 PM ET</p> <p>Homework 5: Due by Saturday 11:50 PM ET</p>
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Weekly Readings	Weekly Activities
<p>Week 7 Midterm Exam</p>	
<p>Week 8 Property I</p> <p>Readings: Cooter & Ulen: Chapter 4</p>	<p>Discussion 6: Posts required- 3. Initial post by Friday 11:59 PM ET; Two responses by Sunday 11:50 PM ET</p>

<p>Week 9 Property II Readings: Cooter & Ulen: Chapter 5</p>	<p>Homework 6: Due by Saturday 11:50 PM ET</p>
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Weekly Readings	Weekly Activities
<p>Week 12 Tort I Cooter & Ulen: Chapter 6</p>	<p>Discussion 7: Posts required- 3. Initial post by Friday 11:59 PM ET; Two responses by Sunday 11:50 PM ET</p>
<p>Week 13 Tort II Cooter & Ulen: Chapter 7</p>	<p>Homework 7: Due by Saturday 11:50 PM ET</p>
Weekly Readings	Weekly Activities

<p>Week 12 Contracts I</p> <p>Readings: Cooter & Ulen: Chapter 8</p>	<p>1. Discussion 8: Posts required- 3. Initial post by Friday 11:59 PM ET; Two responses by Sunday 11:50 PM ET</p>
<p>Week 11 Contract II</p> <p>Readings: Cooter & Ulen: Chapter 9</p>	<p>1. Homework 8 due by Saturday 11:50 PM ET</p>
<p>Week 14 Final Exam</p>	