

ECONOMICS 4450/6650
LAW AND ECONOMICS
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OVERVIEW

Law and economics uses standard microeconomic tools and concepts of scarcity, choice, preferences, incentives, supply and demand to explain legal and political rules, social norms, firms, contracts, government organizations, and other institutions. As measured by publications and citations, law and economics is one of the fastest-growing areas of applied microeconomics. Also, law schools are devoting increasing attention to understanding the economic analysis of law. Most top law schools have multiple professors with a Ph.D. in economics and law classes that are not taught by Ph.D. economists typically integrate economic concepts into the material. Many of the most respected judges frequently use economic analysis in their rulings.

This course is very broad. It shows how we can use economic principles to approach all the courses that a typical 1L would take in law school (property, contracts, torts, criminal) and some of the advanced courses (intellectual property and antitrust).

OBJECTIVES

Those who successfully complete this class will have an excellent foundation in three areas:

1. Law school. Former students have attended many top law schools, such as Harvard University, University of Chicago, Columbia University, New York University, and the University of Virginia.
2. Business or entrepreneurship. Business people and entrepreneurs must increasingly understand legal principles and concepts.
3. Politics. Former students have won public office and many have careers in government agencies and are responsible for implementing policy.

WEB SITE

You are responsible for checking the class web site regularly. All announcements and changes will be posted there. If you have administrative questions, please check the web site first. See <http://www.terry.uga.edu/~mustard/courses/e4450/>

REQUIRED READING

The textbook is *Law and Economics* (New York, NY: W.W. Norton & Company, 2008) by Jeffrey L. Harrison and Jules Theeuwes. Additional articles are linked directly to the outline of notes. *Later in the semester I may assign a [course reader](#) and will let you know when and where the course packet is available.*

PREREQUISITES

This course assumes a strong working background in Intermediate Microeconomics (ECON 4010). Chapter 2 of the text reviews many principles from Intermediate Micro.

PAPERS

You will write one 4-6 page paper as outlined on the [papers page](#). The paper may be based on your work as jurors for a UGA Law School mock trial. The mock trial will require extra time outside of class, so if we do that then we will have one or two fewer class days depending on the extra time commitment.

CLASS ATTENDANCE AND EXPECTATIONS

You are expected to attend class each day and come to class prepared to discuss the merits and weaknesses of the reading. You cannot learn economics by passively absorbing it, but must be able to articulate thoughtful analysis. Therefore, my teaching style is to call on people and ask them to make arguments about the readings and problems I outline in class. If you are unwilling to make attending, preparing, and participating in class a priority, then this class is not a good match for you. Consistent with UGA policy, I have the right to exercise instructor-initiated withdrawals for students who are not attending class regularly.

ACADEMIC HONESTY: [A CULTURE OF HONESTY](#)

Academic honesty and integrity are of the highest importance. All provisions of UGA's policy governing student academic conduct will be enforced in this course.

GRADING

For undergraduates: the final grade will be based on two midterms (40%), one paper (10%), class participation (15%), and a comprehensive final (35%).

For graduate students: the final grade will be based on two midterms (30%), one short paper (10%), class participation (10%), a comprehensive final (35%), a draft of a research paper (5%), and the final research paper (10%).

The class participation grade will be a function of class attendance and quality of participation. No extra credit will be given for the course.

Exams will be based on both the class notes and the reading.

The midterms will be in the classroom during the normal class period. The midterm dates will be set on the website. There will be no make-up midterm exams. If you are absent from a midterm, the weight of that midterm will be applied to your final exam.

The comprehensive final exam is Thursday May 3 from 8-11 a.m.

Failure to take the final exam at the scheduled time will result in a grade of zero. If you are unable to take the final at the assigned time, you should not take this course. Two exceptions to this rule are:

- (1) If the Undergraduate Program Office of the Terry College of Business verifies that you have another exam scheduled for the same time or three exams scheduled on the same day, and that this class is your lowest numbered course;
- (2) If the Office of the Vice-President for Student Affairs verifies that you have a family emergency or personal illness.

EXAM PHILOSOPHY

I curve the exams and do not use a 90-80-70 scale for grading. After each exam, I post the grade distribution (A, A-, B+, ... D, and F) with the corresponding scores on the test. I grade on a curve because the larger distribution helps me more accurately measure each student's ability, it is fairer to students who are less likely to narrowly miss a given cutoff for the next higher grade, provides a greater learning tool, and provides incentives for students to study more. The average GPA for this course is usually about 2.9 and its range is about 2.8 to 3.1.

COURSE OUTLINE:

An outline of class notes is available on the class website. Each term, I edit the outline to ensure that I cover current events and policy issues and cover some of the topics that I was unable to teach in previous terms.