



Lahore University of Management Sciences

Econ 314 – Law & Economics

Fall 2017-18

Instructor	Ali Hasanain
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Secretary/TA	Aymen Asif (2245) / TBA
TA Office Hours	TBA
Course URL (if any)	

Course Basics				
Credit Hours				
Lecture(s)	Nbr of Lec(s) Per Week	2	Duration	110 minutes
Recitation/Lab (per week)	Nbr of Lec(s) Per Week		Duration	
Tutorial (per week)	Nbr of Lec(s) Per Week		Duration	

Course Distribution	
Core	
Elective	Elective
Open for Student Category	
Close for Student Category	

COURSE DESCRIPTION
This course introduces students to the economic analysis of the law, with particular emphasis on property, contract and tort law, as well as the economic theory of litigation and crime & punishment. Prerequisites include a familiarity with Microeconomics at the level of Econ 211, and basic math tools. Familiarity with the Law is not expected. The course should leave students with a heightened appreciation of laws as incentive mechanisms, and allow them to evaluate different laws and legal systems more critically.

COURSE PREREQUISITE(S)
<ul style="list-style-type: none"> Econ 211: Intermediate Microeconomics

COURSE OBJECTIVES
<ul style="list-style-type: none"> Provide students an appreciation for and practice of the application of Microeconomics to other subjects Equip students with an understanding of the key questions analyzed by the Economic Analysis of the Law Demonstrate the nuance and complexity that arise in actual cases and how theory needs to be applied with good judgement by judges.

Learning Outcomes
<ul style="list-style-type: none"> Students should, after taking the course be better able to apply their intermediate-level microeconomics tools to other contexts; They should be able to articulate and take positions on major Law & Economics debates and questions; Students should have developed a basic familiarity with the use of Economics tools to analyze case law.

Grading Breakup and Policy



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Quiz(s): 20% Class Participation: 10% Midterm Examination: 30% Final Examination: 40%
Note: Disciplinary Action will be taken against students who are found to have committed, or have attempted to commit, acts of academic misconduct.

Examination Detail	
Midterm Exam	Yes/No: Yes Combine Separate: N/A Duration: 2 hours Preferred Date: 13/3/17 Exam Specifications: Closed Book, Closed Notes, Calculator Allowed, Pen Only, No Overleaf work
Final Exam	Yes/No: Yes Combine Separate: N/A Duration: 2 hours Exam Specifications: Closed Book, Closed Notes, Calculator Allowed, Pen Only, No Overleaf work

COURSE OVERVIEW			
Week/ Lecture/ Module	Topics	Recommended Readings	Objectives/ Application
Week 1: Foundations	Intro to L&E, Micro revision, Intro to Law	Cooter & Ulen, Chapters 1-3	Understand the key questions of the course; revise required microeconomic concepts; attain a very basic understanding of the legal process
Weeks 2 – 5: Property	Property: Theory and Topics	Cooter & Ulen, Chapters 4 & 5	Key concepts of the economic study of property law with applications
Weeks 6-8: Contract	Contract: Theory and Topics	Cooter & Ulen, Chapters 6 & 7	Understand why contract law is of fundamental important to an economy, and the conceptual nuances of contract law
Weeks 9-12: Tort	Tort: Theory and Topics	Cooter & Ulen, Chapters 8 & 9	Learn how to calculate damages; recognize that calculations are ultimately subjective; consider various facets of real-world applications
Week 13 : Litigation	The Economics of Litigation	Cooter & Ulen, Chapter 10	How are disputes resolved in legal space? How do different rules regarding litigation costs impact dispute resolution?
Week 14: Crime & Punishment	Crime & Punishment: Theory and Topics	Cooter & Ulen, Chapters 1-3	Crime and Punishment are the backstop of a legal system. We review the economic theory and evidence regarding different costs and probabilities of detection herein

Textbook(s)/Supplementary Readings



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Required Text:

Cooter R., and Ulen T. (2000) *Law and Economics*, Third Edition. Addison Wesley.

Optional Readings:

Friedman D. *Law's Order*. (2000) Princeton University Press.

Coase, R. "The Problem of Social Costs" *Journal of Law and Economics*, October 1960, pp.1-44.

Coase, R. "The Nature of the Firm" *Economica*, November 1937, pp 386-495.

Posner, R. *The Economic Analysis of the Law*.

Shavell, S. *Foundations of Economic Analysis of the Law*. (2004) Harvard University Press.

Barnes D.W. and Stout L.A. *Cases and Materials on Law and Economics*. (1992) West.