Syllabus for Economics 307A – Law and Economics

Time and location:
Hepburn 20, Tues – Thurs 12:40 - 2:10 PM

Instructor: Professor Lockard
Office: Hepburn 15
Office Hours Tue 2:30 – 4:30 PM or by appointment. I can easily come to campus at other times, so do not hesitate to email me to set up an appointment.
Phone: (office) (315) 229-5057
Economic Department FAX: (315) 229-5819
Email: alockard@stlawu.edu

Text:
David Friedman, Law’s Order. This entire book is posted on-line at http://daviddfriedman.com/laws_order/index.shtml. You needn’t buy a hard copy, but it is not very expensive anyway.
There are also readings posted in Sakia.
Assigned readings must be read prior to the class in which they are discussed.

Course Objectives:
The course is designed to explore how rules (especially laws) shape incentives, and how incentives shape rules.

Academic Honesty:
Academic honesty requires that you never represent anyone else’s work as your own. In this course that means everything you write must be in your own words. If you find it necessary to quote someone else, put the quote in quotation marks, and credit the source.

Homework:
Homework assignments are posted in Sakai. Homework is due on Tuesdays. Unless otherwise noted, you should write about two pages (double spaced, normal font size and margins) per assignment. Homework is due at the start of class. Students who turn homework assignments late will be penalized 10 points an hour. This is true even if you cannot attend class because of circumstances completely beyond your control. If a student is unable to attend class on a day an assignment is due, it is his or her responsibility to see that the assignment is delivered on time, regardless. Faxesing assignments in, emailing them if possible, or sending them overnight delivery are all acceptable. Assignments emailed in must be received before the start of class to be counted as being on time. If you foresee problems getting an assignment in on time, contact me before it is due, and I will try to work something out with you. If you don’t explain your situation to me until after the homework was due, do not expect any consideration.

Protocols:
Every time the class meets you will be required to turn in a one page (double spaced with normal fonts and margins) discussion of the assigned readings for that class. Protocols longer than one page will be penalized 10 points. The protocol includes a brief discussion of key points from the assigned readings. The point of the exercise is to insure that students read and think about the assignments before the class in which they are discussed.
**Accommodations for Learning Disabilities:**
If you have a learning disability that justifies special accommodations you need to present the appropriate letter to me within two weeks of the start of class. Otherwise you should not expect special accommodations.

**Office hours:**
Come and see me if there is anything that you still don’t understand after we discuss it in class, or if you get a lower grade on an assignment than you are comfortable with, or just to talk. I like it when students come in to see me. In the event of a low grade, I won’t change your grade if you come to see me, but I will tell you what you need to do to get a higher grade next time.

**Attendance:**
Attendance is required. I allow each student 4 absences for participating in athletics, attending funerals or weddings, illness, and all other reasons. Each absence beyond that will reduce your final grade 1 point, up to a maximum of 10 points. Arriving late or leaving early counts as ½ an absence. Note that the reason students miss class is irrelevant to my attendance policy.

**Final Exam:**
There is no midterm exam in this class, only a final exam. The final exam is posted in Sakia. I encourage you to look it over, early and often. The exam is composed of homework questions. Answers will be graded more harshly on the exam than they were on the homework. This is because, when you answer the question on the exam, you will have already gotten feedback. For homework questions that are potential exam questions, there will be two grades shown, the homework grade earned and recorded, and the grade the answer would have received on the final exam, to help guide your studying for the exam.

**Schedule:**

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Friedman</th>
<th>Angel</th>
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</thead>
<tbody>
<tr>
<td>Thurs 1/15</td>
<td>What has economics to do with the law?</td>
<td>Friedman Overview of Key Concepts Hobbes, Leviathan Buchanan, Before Public Choice</td>
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<tr>
<td>Tues 1/17</td>
<td>Intro, Ch 1</td>
<td>Universal Declaration of Human Rights Rand, Man’s Rights &amp; The Nature of Government Two Party Platforms</td>
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<td>Thurs 1/22</td>
<td>Economic Efficiency</td>
<td>Ch 2</td>
<td>Lockard, Welfare Economics Mercuro &amp; Medema, Economics and the Law</td>
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<tr>
<td>Tues 2/3</td>
<td></td>
<td>Hazlitt, Economics in One Lesson, Ch 1, 2, 4, 11, 14.</td>
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<tr>
<td>Date</td>
<td>Topic</td>
<td>Chapter</td>
<td>Readings</td>
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<td>---------------------------------------------------------------------------</td>
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| Thurs 2/5 | Externalities  | Ch 3, 4 | Bryant v. Lefever  
Sturges v. Bridgman  
Fountainbleau Hotel v. forty-five twenty-five |
| Tues 2/10 |                | Ch 5    | Coase, *Problem of social cost*  
Poof v. Putnam  
Vincent v. Lake Erie  
Spur v. Del Webb |
| Tues 2/17 | Risk           | Ch 6    | Escola v. Coca-Cola  
Fountainbleau Hotel v. forty-five twenty-five |
| Thurs 2/19 |                | Ch 7    | US v. Carroll Towing Co.                                                                 |
| Tues 2/24 | Games          | Ch 8    |                                                                 |
| Thurs 2/26 | Value of Life  | Ch 9    | Viscusi, *The Value of Life in Legal Contexts*  
Henriques, *In Death’s Shadow, Valuing each life* |
| Thurs 3/5 |                |         | Tullock, *Logic of the Law*, Ch 9  
Sowell, *The pattern of the Anointed*  
SPRING BREAK |
| Tues 3/10 | Property       | Ch 10   | Locke, *On Property*  
Demsetz, *Toward a Theory of Property Rights*  
Ellickson, *Property in Land*  
Umbeck, *A Theory of Contract Choice and the California Gold Rush* |
| Thurs 3/12 |                | Ch 11   | DeSoto, *The Mystery of Capital*  
Campbell, Eastern, Peevyhouse, Williams I & II |
| Tues 3/24 | Contract I     | Ch 12   | Rexite, Miltenberg, Wilkin, Harris, Mills  
Campbell, Eastern, Peevyhouse, Williams I & II |
| Thurs 3/26 | Contract II    | Ch 13   | Ramseyer, Sex  
Radin, *Contested Commodities* Ch 9 & 10 |
| Tues 3/31 |                |         | Goodman, *The Surrogate Mother Triangle*  
Philosophy & Public Policy, *Surrogate Motherhood*  
In re: Baby M  
Posner, *Surrogate Motherhood* |
| Thurs 4/2 |                |         | Stecklow, *Finnish Drivers* |
| Thurs 4/9 |                |         | Rand, *America’s persecuted minority: Big business*  
Armentano, *New directions in antitrust* |
| Tues 4/11 | Crime I        | Ch 15   | Golden, Galena, Spano, Greenman, Escola, Daniell  
Stigler, *Truth in Teaching* |
| Thurs 4/16 | Antitrust      | Ch 16   | Stecklow, *Finnish Drivers* |
| Thurs 4/19 | Is the law efficient? | Ch 19 | The Thief Taker Hangings  
Benson, *Enterprise of Law*  
Hayek, *The use of knowledge in Society*  
Epilogue |
| Thurs 4/30 | Review for final |         |                                                                 |
Grading:
Your grade will be calculated as follows:

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1 page protocols</td>
<td>20%</td>
</tr>
<tr>
<td>Homework</td>
<td>40%</td>
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<tr>
<td>Final Exam</td>
<td>40%</td>
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Final grades will be assigned as follows. Note that a grade of 95.999999 is a 3.75, not a 4.00.

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<th>Final grade</th>
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<tr>
<td>&lt; 60</td>
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