1. **Course Description**

This course will provide economic analysis of the theory and practice of the development of a legal system. Students will gain an understanding of the modern economic analysis of law; an ability to read and understand case law; and an ability to understand and analyze legal outcomes using economic theory. No prior knowledge of the law is required. Economics 420K (with a grade of at least C-) is a prerequisite for this class. No knowledge of Game Theory is necessary; however, the course will cover recent applications from the game theoretic perspective.

2. **Course Objectives**

You will gain an understanding of how Law & Economics originated and how it has been applied to shape legal thought; you will learn to read case law and how to apply the tools of economics to matters of law; and you will improve your public speaking and presentation skills.

3. **Grading Criteria**

The final grade will be based on:

10% - Class Participation  
15% - Quizzes (4 quizzes – drop lowest score – so the remaining 3 quizzes are worth 5% each)  
20% - Case Evaluation (in-class presentation)  
20% - Midterm  
35% - Comprehensive Final Examination

The grading for this course follows the UT Austin Economics Department ranked curve guidelines. This means that a final letter grade will be assigned to you based on your weighted course score relative to the rest of the class.
If you are unsure of how a ranked curve works, please refer to the numerical explanation on Canvas under files.

I will provide your ranking for each individual assignment after they have been finalized and graded; but because you can drop your lowest quiz grades the overall class rank will be "unofficial" until ALL assignments are finalized and graded. So remember, because final grades are determined by your relative score (not absolute!) on the totality of assignments, your goal is to do your best on each one!

4. Class Expectations

Class time is very important. When you are in class please refrain from using your laptop or your cell phone for anything but note taking or for scheduled class participation.

Students are expected to check Canvas regularly for important announcements and class material. You will use your UT address to communicate with me and the TA your questions about lectures and material; if I feel it will be helpful I’ll post an announcement to the entire class with the (anonymized) question and answer (just in case anyone else had the same question). I am very attentive to my email and Canvas and reply promptly to questions passed on to me. Again, please check Canvas regularly!

5. Required Reading & Material

  *The PDF version of the textbook is posted on Canvas under files.


  *The paper is posted on Canvas under files.

  *The paper is posted on Canvas under files.

- Roth, A. (2007). Repugnance as a Constraint on Markets
  *The paper is posted on Canvas under files.

  *The paper is posted on Canvas under files.

  *The paper is posted on Canvas under files.
**Squarecap. A web based classroom response application.**

*Complete ordering instructions are posted on Canvas under files.*

(Recommended Reading)


6. Midterm

The midterm constitutes **20%** of your final grade. Questions for the midterm will be based on two of the required papers: Coase’s *The Problem of Social Cost* and Hirshleifer’s *The Dark Side of the Force*. The midterm will consist of a combination of multiple-choice and short-essay questions. There will be no make-up for the midterm exam for unexcused absences. In cases where the midterm exam is rescheduled for some students who have documented excused absences (serious and substantiated medical or personal emergency, or some other reason that UT explicitly accepts as legitimate), it will be replaced with 3500-word essay of equal weight to the midterm and on a topic of my choosing.

7. Quizzes

Quizzes will amount to **15%** of your final grade. There will be 4 quizzes scheduled. There will be no makeup quizzes, but you can drop your lowest grade. For the most part, all quizzes will be multiple-choice questions drawn from assigned cases. I will announce on Canvas the topic/cases to be tested during the week prior to the scheduled quiz. Quizzes will be administered during the last 20 minutes of the class.

8. Case Evaluation

The case evaluation will count as **20%** of your grade (15% presentation, 5% case summary). Please do not miss your scheduled presentation time, as they will be very difficult to re-schedule.

**Guidelines for the presentations:**
Students in groups will give a short presentation on a case (duration and group size will be based on enrollment).

A presentation sign-up sheet listing cases and dates from which students can choose will be available by the first week of February.

The sign-up period will take place in class, and presentations will begin in mid- to late February.

If you are not in class during the sign-up period, I will assign you a random case and date from those available after the students in class have selected theirs.

Presenters are expected to have read and understood the case sufficiently (along with the “Notes & Questions” section that follows) to explain its particulars to fellow students, and to answer questions concerning the legal and economic aspects of the case.

The dress code for the presenters is business casual.

Presentations will require some use of visual material that helps the audience understand the analysis (e.g. graphs, matrices, pictures, etc.), but it is up to the group to decide to use PowerPoint, the board, or some other means.

The group should balance the presentation between each of the members.

Unlike the summary, each student in a group may receive a different grade on the presentation depending on his or her compliance with the guidelines set forth here and on his or her performance in the Q&A.

Guidelines for the 2-page case summary:

- The case summary is due by the beginning of class on the date your presentation is scheduled. Each group will email the TA a copy of the summary sometime before the presentation, as well as bring a paper copy to hand in at the presentation.
- All group members will receive the same grade on the written summary.
- The summary should be 2 pages in length, double-spaced with 1-inch margins throughout, and written using a 12-point Times New Roman font.
- You can use whichever citation style you like (e.g., MLA, APA, Chicago) as long as you use it correctly and are consistent.
- The summary should include the names of all the presenters, the course name, and the date of the presentation. In addition, the summary will: name the case, the court where the case is being tried, and the date of trial; identify the plaintiff and the defendant; describe the dispute; relate both the majority opinion and the dissenting or concurring opinions (if any); explain the economic rationale behind the case and whether or not the majority opinion conformed to it.

9. Final Examination

The final exam constitutes 35% of your final grade. It will be comprehensive and it will consist of a combination of multiple-choice and short-essay questions. There will be no make-up for the final exam for unexcused absences. In cases where the final exam is rescheduled for some students who have documented excused absences (serious and substantiated medical or personal
emergency, or some other reason that UT explicitly accepts as legitimate), it will be replaced with 5000-word essay of equal weight to the final exam and on a topic of my choosing.

10. Attendance & Class Participation

Remember that class lectures are the best guidance for this class. 10% of your grade will be split between attendance and participation. Three (3) unexcused absences will trigger a 2% deduction, and five (5) unexcused absences will trigger the full 5% deduction. The remaining 5% is a participation grade which will be determined by the quality of your interaction on Squarecap during the presentations.

11. Grade Dispute Policy

You have one week from receiving a grade to dispute it. There are no exceptions to this rule. In addition, you must follow the steps below. Failure to meet the deadline or to follow these steps will prevent your grade from being reviewed. However, following these steps does not guarantee that your grade will be changed. Note that I will not be able to review the grade in question until you have completed the following steps:

- Email the TA within one week of receiving the grade to request a review.
- Be specific in the email regarding which grade you're disputing, so the TA can have your graded assignment ready for review.
- Go to the TA's office hours to discuss your grade.

12. Email Policy:

Writing appropriate correspondence is another important aspect of professionalism. Before you send me (or the TA) an email, please make sure that:

- The question you have is not already answered in this syllabus.
- You are sending the email from your UT email address.
- You have written the course title in the subject line.
- You have proofread your email to assure that it is clear, succinct, & free of typos.
- You start your email by appropriately greeting me (or the TA).
- You have emailed the TA first about your issue or question.
- You sign your email with "Thank you," followed by your full name.

13. Class Material

The materials used in this class (including, but not limited to, exams, quizzes, homework assignments, and slides) are copyright protected works. Any unauthorized copying of the class materials is a violation of federal law and may result in disciplinary actions being taken against the student. Additionally, the sharing of class materials without the specific, express approval of
the instructor may be a violation of the University's Student Honor Code and an act of academic dishonesty, which could result in further disciplinary action. This includes, among other things, uploading class materials to websites for the purpose of sharing those materials with other current or future students.

I do not post, email, or share my slides or class notes with any student (including my TA) and for any reason. While you may take pictures of the slides during class, those pictures are subject to the same policy outlined here. If you were present in class but for some reason missed a concept on a particular slide, please visit me during office hours and I can go over that concept with you. If you were absent from the lecture, please contact a classmate for their notes on the topic.

14. Office Hours Etiquette:

If you cannot make it to my normal office hours, then I can arrange to make an appointment to see you outside of these hours. In this case, however, please honor this time or give notice of cancelation. I will not reschedule your appointment if you fail to show up on time or fail to email me to cancel.

15. Important Dates

- Last day of the official add/drop period: Friday, Jan 20th
- Last day to add a class: Wednesday, Feb 1st
- Last day to drop a class for a possible refund: Wednesday, Feb 1st
- Last day to drop with the dean's approval: Tuesday, Apr 3rd
- Last day to change registration to or from pass/fail: Tuesday, Apr 3rd

15. Honor Code:

Academic dishonesty, including plagiarism, is an offense which we at UT take very seriously. The penalties for academic dishonesty in this course will begin at suspension from class and can be as severe as suspension or expulsion from the University. For an explanation or example of what constitutes plagiarism, please visit: http://www.lib.utexas.edu/services/instruction/learningmodules/plagiarism/index.html

16. Students with disabilities:

The University of Texas provides on request appropriate academic accommodations for qualified students with disabilities. At the beginning of the semester, students who need special accommodations should notify the instructor by presenting a letter prepared by the Service for Students with Disabilities (SSD) Office. Disabilities range from visual, hearing, and movement impairments to Attention Deficit/Hyperactivity Disorder, psychological disorders (bipolar disorder, depression, Obsessive Compulsive Disorder, etc.), and chronic health conditions (diabetes, multiple sclerosis, cancer, etc.). These also include from temporary disabilities such as broken bones, recovery from surgery, etc. For more information, contact Services for Students
with Disabilities at (512) 471-6259 [voice], (866) 329-3986 [video phone], via e-mail at ssd@austin.utexas.edu, or visit: http://ddce.utexas.edu/disability/.

### Course Outline (Subject to Change)

<table>
<thead>
<tr>
<th>Date</th>
<th>Subject Covered</th>
<th>Reading</th>
<th>Task</th>
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<tbody>
<tr>
<td>T 01/17</td>
<td>The Rule of Economics I</td>
<td>LE 1*</td>
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<td>TH 01/19</td>
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<td>CB 1**</td>
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<td>T 01/24</td>
<td>The Rule of Economics II</td>
<td>LE 2</td>
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<td>TH 01/26</td>
<td>The Rule of Law</td>
<td>CB 1</td>
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<td>T 01/31</td>
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<tr>
<td>TH 02/02</td>
<td>“Dude, Where’s My Car?” Part I</td>
<td>LE 4</td>
<td>Quiz 1</td>
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<td>TH 02/09</td>
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<td>CB 2</td>
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<td>T 02/14</td>
<td>“Let’s Make a Deal!” Part I</td>
<td>R. Coase</td>
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<td>T 02/21</td>
<td>“Let’s Make a Deal!” Part II</td>
<td>R. Coase</td>
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<td>“Let’s Make a Deal!” Part III</td>
<td>R. Coase</td>
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<td>T 03/07</td>
<td>The Way of Coase vs. The Way of Machiavelli</td>
<td>RC &amp; JH</td>
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<td>TH 03/09</td>
<td><strong>Midterm</strong></td>
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<td>T 03/14</td>
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<td>TH 03/16</td>
<td>Spring Break—No Class</td>
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<td>T 03/21</td>
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<td>CB 2</td>
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<td>T 03/28</td>
<td>“I Do!” Part I</td>
<td>LE 8</td>
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<td>TH 03/30</td>
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<td>CB 4</td>
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<td>T 04/04</td>
<td>“I Do!” Part II</td>
<td>LE 8-9</td>
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<td>TH 04/06</td>
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<td>CB 4</td>
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<td>T 04/11</td>
<td>Special Lecture</td>
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<td>Anti-Insurance Quiz 3</td>
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<td>TH 04/13</td>
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<td>T 04/18</td>
<td>“I Do!” Part III</td>
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<td>“But Your Honor, He Smells!” Part I</td>
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<td>TH 04/27</td>
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<td>CB 3</td>
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<tr>
<td>W 05/10</td>
<td>Last Day of Class—Review for the Final</td>
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* LE 1 means chapter 1 of the Law and Economics *Textbook* by Cooter and Ulen,
** CB 1 means chapter 1 of the Law and Economics *Casebook* by Barnes and Stout.