



Course syllabus Economics & Law

March - July 2019

Term IX

**Del Castillo, Jorge
Boza, Pablo**

I. General features of the course

Nombre del curso:	Economics & Law		
Prerrequisito:	Microeconomía II	Código:	11204
Precedente:	-	Semestre:	2019-1
Créditos:	3	Ciclo:	IX
Horas semanales:	4	Modalidad del curso:	Presencial
Tipo de Curso y Carreras	Curso electivo: Economía y Negocios Internacionales	Coordinador del curso:	Franciskovic Ingunza Jubitza jfranciskovic@esan.edu.pe

II. Course Summary

This course, Economics and Law is intended to be theoretical and practical. Its purpose is to introduce students to the concepts and body of knowledge of current Economic and Law theory and applications. The course aims for students to understand its usefulness and relevance in how laws are created and the effects that they have on society and the economy. Also, to give the theoretical and practical bases necessary for students to apply economic tools to laws so that they can be judged based on their efficiency and to predict which laws could be issued. Thus, in this course students will have an introduction to law and legal institutions, they will learn to apply economic tools on broader topics, and understand the impact of laws from an economic perspective.

III. Objectives of the course

To understand the basic concepts of law and how they are created and evaluated using economic analysis to determine their efficiency and impact on economic and social relationships. Also to understand different types of topics related to law as: property law, contractual law, criminal law among others. Develop a critical perspective on law by applying economic analysis and legal institutions, they will learn to apply economic tools on broader topics, and understand the impact of laws from an economic perspective.

IV. Learning goals

- Understand how laws are created and the function of law institutions.
- Understand the impact of laws on businesses and society.
- Familiarize with different aspects of laws and their scope.
- Apply economic analysis to determine the efficiency of laws.
- Apply economic analysis to predict which laws will be issued.
- Recognize the influence of law and economics in society.
- Issue critical opinions regarding legal topics using economic tools.

V. Methodology

The classes will be developed in an active and participative way. The course will be developed both by a law expert and an economics expert. Techniques such as student presentations and open dialogue will be used to incentive further learning of a given topic. The teachers will use different types of teaching materials, including the development of exercises and cases.

The course has 2 theoretical hours and 2 hours of weekly practice. The theoretical and practical hours will be alternating between both teachers.

VI. Evaluation system

CONTINUOUS EVALUACIÓN SCHEME (PEP) 40%		
Description	Content	Weight (%)
Individual Reading Controls	4 Reading Controls	40
Individual or Group Practical Case Studies and workshops	Case Study / Forum participation	30
Other activities	Individual Class Participation and Attendance	30

The final average grade (PF) is computed as follows:

$$\mathbf{PF = (0, 30 \times EP) + (0, 40 \times PEP) + (0, 30 \times EF)}$$

VII. Scheduled content of the course

WEEK	CONTENIDOS	ACTIVIDADES / EVALUACIÓN
<p>LEARNING UNIT 1: INTRODUCTION TO LAW AND ECONOMICS, AND LEGAL INSTITUTIONS</p> <p>LEARNING GOALS:</p> <ul style="list-style-type: none"> • The student will understand how laws are created and the function of law institutions. • The student will understand the impact of laws on businesses and society. 		
<p>1°</p> <p>March 21nd – 27th</p>	<p><i>Introduction to Law and Economics. Review of microeconomic theory I.</i></p> <p>1.1 What is Economic Analysis of the Law 1.2 The Primacy of Efficiency Over Distribution in Analyzing Private Law 1.3 The Structure of Microeconomic Theory 1.4 Some Fundamental Concepts</p> <p>Cooter, R., & Ulen, T. (2016). <i>Law and Economics</i>, 6th edition. Berkeley Law Books. Cap 1: 1-10 Cooter, R., & Ulen, T. (2016). <i>Law and Economics</i>, 6th edition. Berkeley Law Books. Cap 2: 11-33</p> <p><u>Complementary Readings:</u></p> <p>Gilmore, E. (1917). The Relation of Law and Economics. <i>Journal of Political Economy</i>, 25(1), 69-79 Heckman, J. (1997). The Intellectual Roots of the Law and Economics Movement. <i>Law and History Review</i>, 15(2), 327-332.</p>	
<p>2°</p> <p>March 28th – April 3rd</p>	<p><i>Introduction to law and legal institutions. Review of microeconomic theory II.</i></p> <p>1.5 The Theory of Consumer Choice and Demand 1.6 The Theory of Supply 1.7 Game Theory 1.8 General Equilibrium and Welfare Economics</p> <p>Cooter, R., Ulen, T. (2016). <i>Law and Economics</i>. Cap 2: 33-54 Cooter, R., Ulen, T. (2016). <i>Law and Economics</i>. Cap 3: 55-69</p> <p><u>Complementary Readings:</u></p> <p>Posner, R. (1998). Values and Consequences: An Introduction to Economic Analysis of Law. <i>Law & Economics Working Papers</i>.</p>	
<p>LEARNING UNIT 2: THEORY AND TOPICS OF PROPERTY AND CONTRACT LAW</p> <p>LEARNING GOALS:</p> <ul style="list-style-type: none"> • Familiarize with different aspects of laws and their scope. • Apply economic analysis to determine the efficiency of laws. • Apply economic analysis to predict which laws will be issued. • Issue critical opinions regarding legal topics using economic tools. 		
<p>3°</p>	<p><i>Property Law. Economic Theory of Property.</i></p> <p>2.1 The Legal Concept of Property</p>	

<p>April 4th – 10th</p>	<p>2.2 Bargaining Theory 2.3 An Economic Theory of Property 2.4 How are Property Rights Protected?</p> <p>Cooter, R., & Ulen, T. (2016). Law and Economics, 6th edition. Berkeley Law Books Cap 4: 70-111</p> <p><u>Complementary Readings:</u></p> <p>Posner, R. (2005). Intellectual Property: The Law and Economics Approach. Journal of Economic Perspectives, 19, 57-73.</p>	<p><u>Reading Control # 1</u></p>
<p>4^o April 11th – 17th</p>	<p><i>Topics in the Economics of Property Law.</i></p> <p>2.5 What can be Privately Owned? 2.6 How are Property Rights Established and Verified? 2.7 What May Owners Do with Their Property?</p> <p>Cooter, R., & Ulen, T. (2016). Law and Economics, 6th edition. Berkeley Law Books Cap 5: 112-186</p> <p><u>Complementary Readings:</u></p> <p>Landes, W.; Posner, R. An Economic Analysis of Copyright Law.</p>	
<p>5^o April 22nd – 27th May</p>	<p><i>Economic Theory of Contract Law.</i></p> <p>2.8 Bargain Theory: An Introduction to Contracts 2.9 An Economic Theory of Contract Enforcement 2.10 An Economic Theory of Contract Remedies</p> <p>Cooter, R., & Ulen, T. (2016). Law and Economics, 6th edition. Berkeley Law Books Cap 8: 276-306</p> <p><u>Complementary Readings:</u></p> <p>Posner, E. (2002, 3 1). Economic Analysis of Contract Law after Three Decades: Success or Failure.</p>	
<p>6^o April 29th – May 4th</p>	<p><i>Topics in the Economics of Contract Law</i></p> <p>2.11 Remedies as Incentives</p> <p>Cooter, R., & Ulen, T. (2016). Law and Economics, 6th edition. Berkeley Law Books Cap 9: 307-381</p>	<p><u>Reading Control # 2</u></p>
<p>7^o May 6th - 11th June</p>	<p>MIDTERM EXAMS ; ELECTIVE COURSES</p>	<p><u>MID TERM</u></p>
<p>8^o May 13th - 18th June</p>	<p>MIDTERM EXAMS ; MANDATORY COURSES</p>	
<p>LEARNING UNIT 3: THEORY AND TOPICS OF TORT LAW AND THE LEGAL PROCESS LEARNING GOALS:</p> <ul style="list-style-type: none"> • Familiarize with different aspects of laws and their scope. • Apply economic analysis to determine the efficiency of laws. • Apply economic analysis to predict which laws will be issued. • Issue critical opinions regarding legal topics using economic tools. 		

<p>9° May 20th – 25th</p>	<p><i>An Economic Theory of Tort Law</i></p> <p>3.1 Defining Tort Law 3.2 An Economic Theory of Tort Liability</p> <p>Cooter, R., & Ulen, T. (2016). Law and Economics, 6th edition. Berkeley Law Books Cap 6 : 187- 229</p> <p>Complementary Readings:</p> <p>Geistfeld, M. (2009). Efficiency, Fairness, and the Economic Analysis of Tort Law.</p>	
<p>10° May 27th – June 1st</p>	<p><i>Topics in the Economics of Tort Liability</i></p> <p>3.3 Computing Damages</p> <p>Cooter, R., & Ulen, T. (2016). Law and Economics, 6th edition. Berkeley Law Books Cap 7 : 230- 275</p>	
<p>11° June 3rd – 8th July</p>	<p><i>Legal Process.</i></p> <p>3.4 The Goal of the Legal Process: Minimizing Social Costs 3.5 Why Sue? 3.6 Exchange of Information 3.7 Settlement Bargaining</p> <p>Cooter, R., & Ulen, T. (2016). Law and Economics, 6th edition. Berkeley Law Books. Cap 10 : 382- 418</p> <p>Complementary Readings:</p> <ul style="list-style-type: none"> • Cooter, R; Rubinfeld, D. Economic Analysis of Legal Disputes and Their Resolution 	<p><u>Reading Control # 3</u></p>
<p>12° June 10th – 15th</p>	<p><i>An Economic Theory of the Legal Process.</i></p> <p>3.8 Complaints, Lawyers, Nuisances, and Other Issues in the Legal Process</p> <p>Cooter, R., & Ulen, T. (2016). Law and Economics, 6th edition. Berkeley Law Books. Cap 11 : 419 - 455</p>	
<p>LEARNING UNIT IV: THEORY AND TOPICS OF CRIME LAW.</p> <p>LEARNING GOALS:</p> <ul style="list-style-type: none"> • Familiarize with different aspects of laws and their scope. • Apply economic analysis to determine the efficiency of laws. • Apply economic analysis to predict which laws will be issued. • Issue critical opinions regarding legal topics using economic tools. 		
<p>13° June 17th – 22nd July</p>	<p><i>Crime and Punishment</i></p> <p>Cooter, R., & Rubinfeld, D. (1989). Economic analysis of legal disputes and their resolution. Journal of Economic Literature, 27(3), 1067-1097. Cap 12 : 454- 484</p>	<p>Online Discussion: Understanding Why Crime Fell in the 1990s: Four Factors that Explain the Decline and Six that Do Not</p>
<p>14° June 24th – 29th July</p>	<p><i>Topics in the Economics of Crime and Punishment</i></p> <p>Cooter, R., & Ulen, T. (2016). Law and Economics, 6th edition. Berkeley Law Books Cap 13 : 485- 532</p>	<p><u>Reading Control # 4</u></p>

15° July 1 st – 6 th	MIDTERM EXAMS ; ELECTIVE COURSES	Case Study Presentation + Final Exam
16° July 8 th – 13 th	FINAL EXAMS ; MANDATORY COURSES	

VIII. Literature

Textbooks (required readings)*

Cooter, R., & Ulen, T. (2016, 7 1). Law and Economics, 6th edition. *Berkeley Law Books*.

Complementary readings (optional but recommended)

- Cooter, R., & Rubinfeld, D. (1989). Economic analysis of legal disputes and their resolution. *Journal of Economic Literature*, 27(3), 1067-1097.
- Geistfeld, M. (2009). Efficiency, Fairness, and the Economic Analysis of Tort Law.
- Gilmore, E. (1917). The Relation of Law and Economics. *Journal of Political Economy*, 25(1), 69-79.
- Heckman, J. (1997). The Intellectual Roots of the Law and Economics Movement. *Law and History Review*, 15(2), 327-332.
- Landes, W., & Posner, R. (1989). An Economic Analysis of Copyright Law. *The Journal of Legal Studies*, 18(2), 325-363.
- Posner, E. (2002, 3 1). Economic Analysis of Contract Law after Three Decades: Success or Failure. *SSRN Electronic Journal*.
- Posner, R. (1998, 3 1). Values and Consequences: An Introduction to Economic Analysis of Law. *Law & Economics Working Papers*.
- Posner, R. (2005). Intellectual Property: The Law and Economics Approach. *Journal of Economic Perspectives*, 19, 57-73.

IX. Laboratory

Not Required

X. Professor

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