



Course syllabus Economics & Law

August – December 2023

Elective

**Del Castillo, Jorge
Boza, Pablo**

I. General features of the course

Nombre del curso:	Economics & Law		
Requisito:	Microeconomía II	Código:	11204
Precedente:	No tiene	Semestre:	2023-2
Créditos:	3	Ciclo:	--
Horas semanales:	4	Modalidad del curso:	Presencial
Tipo de Curso:	Electivo de Especialidad	Coordinadora del curso:	Jubitza Franciskovic I. jfranciskovic@esan.edu.pe
Carrera:	Economía y Negocios Internacionales		

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 EVALUATION SCHEME (PEP) 40%		
Description	Content	Weight (%)
Case Study	2 reports based on a case study of a news article*	40
Forum Discussions	Forum participation	30
Other Activities	Class Activities Participation and Attendance	30

*The reports will be completed with the support of ChatGBT.

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

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

** The mid-term and final exams have two components : oral and written.

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>1º</p> <p>21st to 26th August</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). An Introduction to Law and Economics. In <i>Law and Economics</i> (pp. 1-10). Berkeley Law Books.</p> <p>Cooter, R., & Ulen, T. (2016). A Brief Review of Microeconomic Theory. In <i>Law and Economics</i> (pp. 11-54). Berkeley Law Books.</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. https://www.jstor.org/stable/pdf/1823141.pdf</p> <p>Heckman, J. (1997). The Intellectual Roots of the Law and Economics Movement. <i>Law and History Review</i>, 15(2), 327-332. https://doi.org/10.2307/827655</p>	
<p>2º</p> <p>August 28th to September 02nd</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). A Brief Review of Microeconomic Theory. In <i>Law and Economics</i> (pp. 11-54). Berkeley Law Books.</p> <p>Cooter, R., & Ulen, T. (2016). A Brief Review of Microeconomic Theory. In <i>Law and Economics</i> (pp. 55-69). Berkeley Law Books.</p> <p><u>Complementary Readings:</u></p> <p>Posner, R. (1998). <i>Values and Consequences: An Introduction to Economic Analysis of Law</i> (Working Paper No. 53).</p>	

	https://chicagounbound.uchicago.edu/law_and_economics/608/	
LEARNING UNIT 2: THEORY AND TOPICS OF PROPERTY AND CONTRACT LAW LEARNING GOALS: <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. 		
3 04 th to 09 th September	<i>Property Law. Economic Theory of Property.</i> 2.1 The Legal Concept of Property 2.2 Bargaining Theory 2.3 An Economic Theory of Property 2.4 How are Property Rights Protected?	
	Cooter, R., & Ulen, T. (2016). An Economic Theory of Property. In <i>Law and Economics</i> (pp. 70-111). Berkeley Law Books. <u>Complementary Readings:</u> Posner, R. (2005). Intellectual Property: The Law and Economics Approach. <i>Journal of Economic Perspectives</i> , 19, 57-73. https://www.aeaweb.org/articles?id=10.1257/0895330054048704	
4 11 th to 16 th September	<i>Topics in the Economics of Property Law.</i> 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?	Case Study 1
	Cooter, R., & Ulen, T. (2016). Topics in the Economics of Property Law. In <i>Law and Economics</i> (pp. 112-186). Berkeley Law Books. <u>Complementary Readings:</u> Landes, W. & Posner, R. (1989). An economic analysis of copyright law. <i>The Journal of Legal Studies</i> , 18(2), 325-363. https://www.jstor.org/stable/3085624?seq=1	
5 18 th to 23 rd September	<i>Economic Theory of Contract Law.</i> 2.8 Bargain Theory: An Introduction to Contracts 2.9 An Economic Theory of Contract Enforcement 2.10 An Economic Theory of Contract Remedies	
	Cooter, R., & Ulen, T. (2016). An Economic Theory of Contract Law. In <i>Law and Economics</i> (pp. 276-306). Berkeley Law Books. <u>Complementary Readings:</u> Posner, E. A. (2002). Economic analysis of contract law after three decades: Success or failure. <i>Yale LJ</i> , 112, 829.	

6 25 th to 30 th September	<i>Topics in the Economics of Contract Law</i> 2.11 Remedies as Incentives	
	Cooter, R., & Ulen, T. (2016). Topics in the Economics of Contract Law. In <i>Law and Economics</i> (pp. 307-381). Berkeley Law Books.	
7 02 nd to 07 th October	MIDTERM EXAMS ; ELECTIVE COURSES	<u>MID TERM</u>
8 09 th to 14 th October	MIDTERM EXAMS ; MANDATORY COURSES	
LEARNING UNIT 3: THEORY AND TOPICS OF TORT LAW AND THE LEGAL PROCESS LEARNING GOALS: <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. 		
9 16 th to 21 st October	<i>An Economic Theory of Tort Law</i> 3.1 Defining Tort Law 3.2 An Economic Theory of Tort Liability	
	Cooter, R., & Ulen, T. (2016). An Economic Theory of Tort Law. In <i>Law and Economics</i> (pp. 187-229). Berkeley Law Books. <u>Complementary Readings:</u> Geistfeld, M. (2009). <i>Efficiency, Fairness, and the Economic Analysis of Tort Law</i> (Working Paper No 09-21). New York University. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1396691	
10 23 rd to 28 th October	<i>Topics in the Economics of Tort Liability</i> 3.3 Computing Damages	
	Cooter, R., & Ulen, T. (2016). Topics in the Economics of Tort Liability. In <i>Law and Economics</i> (pp. 230-275). Berkeley Law Books.	

<p style="text-align: center;">11</p> <p>October 30th to November 04th</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). An Economic Theory of the Legal Process. In <i>Law and Economics</i> (pp. 382-418). Berkeley Law Books.</p> <p><u>Complementary Readings:</u></p> <p>Cooter, R. & Rubinfeld, D. (1989). Economic analysis of legal disputes and their resolution. <i>Journal of economic literature</i>, 27(3), 1067-1097.</p>	
<p style="text-align: center;">12</p> <p>06th to 11th November</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 style="text-align: center;">Online Discussion Forum</p>
	<p>Cooter, R., & Ulen, T. (2016). Topics in the Economics of the Legal Process. In <i>Law and Economics</i> (pp. 419-453). Berkeley Law Books.</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 style="text-align: center;">13</p> <p>13th to 18th November</p>	<p><i>An economic Theory of Crime and Punishment</i></p>	<p style="text-align: center;">Case Study 3</p>
	<p>Cooter, R., & Rubinfeld, D. (1989). Economic analysis of legal disputes and their resolution. <i>Journal of Economic Literature</i>, 27(3), 1067-1097.</p>	
<p style="text-align: center;">14</p> <p>20th to 25th November</p>	<p><i>Topics in the Economics of Crime and Punishment</i></p>	
	<p>Cooter, R., & Ulen, T. (2016). Topics in the Economics of Crime and Punishment. In <i>Law and Economics</i> (pp. 485-532). Berkeley Law Books.</p>	
<p style="text-align: center;">15</p> <p>November 27th to December 2nd</p>	<p>MIDTERM EXAMS ; ELECTIVE COURSES</p>	<p>Final Exam</p>
<p style="text-align: center;">16</p> <p>04th to 07th and from 11th to 12th December</p>	<p>FINAL EXAMS ; MANDATORY COURSES</p>	

VIII. Literature

Textbooks (required readings)*

Cooter, R., & Ulen, T. (2016). *Law and Economics*. 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* (Working Paper No. 09-21). New York University. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1396691

Gilmore, E. (1917). The Relation of Law and Economics. *Journal of Political Economy*, 25(1), 69-79. <https://www.jstor.org/stable/pdf/1823141.pdf>

Landes, W. & Posner, R. (1989). An economic analysis of copyright law. *The Journal of Legal Studies*, 18(2), 325-363. <https://www.jstor.org/stable/3085624?seq=1>

Posner, R. (1998). *Values and Consequences: An Introduction to Economic Analysis of Law* (Working Paper No. 53). https://chicagounbound.uchicago.edu/law_and_economics/608/

Posner, R. (2005). Intellectual Property: The Law and Economics Approach. *Journal of Economic Perspectives*, 19, 57-73. <https://www.aeaweb.org/articles?id=10.1257/0895330054048704>

IX. Laboratory

Not Required

X. Professor

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