Dr. Seth B. Sacher  
Spring 2015  
University of Maryland  
Masters in Applied Economics

Economic Analysis of Law  
Econ 674  
Thursdays, 6:45-9:30PM  
1400 16th Street, NW, Suite 140

Course Description

This course uses tools of standard microeconomic theory to analyze the law and the legal system. The economic implications of legal decisions are also considered. In particular, we will focus on the following areas of law: property, contract, tort, criminal, and antitrust.

Course Requirements

Grades will be based on class participation (5%), participation in online discussions (5%), the student’s performance on problem sets (20%), a mid-term examination (30%) and a final examination (40%).

There will be four problem sets throughout the semester. Due dates are indicated below. You are permitted to work on the problem sets in groups. Each group need hand in only one copy of the answers. Late homework is not accepted. Homework should be sent to the course TA (Ben Zang) by the start of class on the due date. Ben’s email address is: MastersTA@econ.umd.edu.

Students who do not attend an exam will be given a grade of zero unless they contact me prior to the exam and submit written verification of an accepted excuse. In such cases, a make-up exam will be given within the next seven days. If this is not possible for the midterm, the student’s exam grade will be solely determined by their score on the final exam.

Please note: The graduate program requires that students maintain a minimum GPA of 3.0 in order to maintain good academic standing. Students whose cumulative GPA falls below 3.0 are not making adequate progress in the program. Thus, a grade of B- or worse in this course provides an indicator of inadequate progress in the program.

Textbook

Robert Cooter and Thomas Ulen, Law & Economics, 6th edition, Addison-Wesley, 2012 (C&U). (Recent used editions are acceptable).
Prerequisites

Econ 641 (Microeconomic Analysis). Econ 644 (Empirical Analysis III) is a co- or prerequisite.

Contact:

E-mail: ssacher@ftc.gov (preferred) or ssacher@umd.edu. Office hours one hour before class and by appointment.

Tentative Weekly Topic Schedule*

1. Introduction and Overview (March 5)

   C&U Chapters 1-3

2. Theory of Property Law (March 12)

   Required:
   C&U Chapter 4

   Suggested:
   1128.

3. Applications of the Theory of Property Law (March 19)

   Problem Set One Due.

   Required:
   C&U Chapter 5

   Suggested:
4. Theory of Tort Law (March 26)

   Required:
   C&U Chapter 6

   Suggested:

5. Applications of the Theory of Tort Law (April 2)

   Problem Set 2 Due.

   Required:
   C&U Chapter 7

   Suggested:

6. MIDTERM (April 9)

7. Theory of Contract Law (April 16)

   Required:
   C&U Chapter 8

8. Applications of the Theory of Contract Law (April 23)

   Problem Set 3 Due.

   Required:
   C&U Chapter 9
   David Friedman, Law’s Order, Ch. 12, avail. online at http://www.daviddfriedman.com/laws_order/index.shtml
9. Litigation Theory and the Efficiency of the Common Law (April 30)

Required:
C&U Chapters 10, 11

Suggested:

10. Theory of Crime and Punishment (May 7)

Required:
C&U Chapters 12, 13
David Friedman, Law’s Order, Ch. 15, avail. online at http://www.daviddfriedman.com/laws_order/index.shtml

Suggested:

11. Antitrust (May 14)

Problem Set Four Due.

David Friedman, Law’s Order, Ch. 16, avail. online at http://www.daviddfriedman.com/laws_order/index.shtml
12. FINAL EXAM (May 21)

* Some topics may be added or deleted as time permits. Accordingly, the coverage (but not dates) of problem sets and exams are also subject to adjustment.

**Course Website:** Copies of the course syllabus, your grades, and other relevant links and documents will be posted on the course’s ELMS/Canvas website. You can access the site via www.elms.umd.edu. You will need to use your University of Maryland “directory ID” and password.

**Email:** Email is the primary means of communication outside the classroom, and I will use it to inform you of important announcements. Students are responsible for updating their current email address via http://www.testudo.umd.edu/apps/saddr/ AND for paying attention to messages I send to the class via ELMS. Failure to check email, errors in forwarding email, and returned email due to “mailbox full” or “user unknown” will not excuse a student from missing announcements or deadlines. I will do my best to respond to email within 36 hours.

**Contact Hours:** Three credit courses at the University of Maryland require a minimum amount of contact between instructors and students. The online components of our courses are a more flexible way to ensure that our program’s courses provide the same level of student-instructor contact as a traditional 15-week, face-to-face, 3-credit course at the University of Maryland.

**Work Load:** Mastering the material covered in this course requires a significant amount of work outside of class. Students should expect to spend more time outside of class than in class – typically at least twice as much time. The courses in our program are 12-week courses that cover all the same material as a traditional semester-long 3-credit course. The compressed schedule makes it possible to complete our degree in just 15 months if you take two courses each term. But the compressed schedule also implies an accelerated pace. If we’re going to cover all the same material as a traditional semester-long 3-credit masters-level course, we need to cover the material quickly.

**Academic Integrity:** The University of Maryland has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. This Code sets standards applicable to all undergraduate and graduate students, and you are responsible for upholding these standards as you complete assignments and take exams in this course. Please make yourself aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For more information see www.studenthonorcouncil.umd.edu.

**Student Conduct:** Students are expected to treat each other with respect. Disruptive behavior of any kind will not be tolerated. Students who are unable to show civility to one another or myself will be referred to the Office of Student Conduct. You are expected to adhere to the Code of Student Conduct.
Medical Excuses: If you miss any class meetings for any reason, you are still responsible for all material covered during the meeting you missed. It is your responsibility – not the instructor’s – to get yourself caught up in the course. If you need to miss an exam or other course deadline because of illness, injury, or some other emergency: Follow doctor's orders and get documentation. Get in touch with the instructor as soon as you’re able – preferably prior to missing the exam or deadline. Communicate with the instructor to make up the course requirement as soon as possible. You are entitled to recover before you make up the course requirement, but you are not entitled to extra days to study beyond the time the doctor's note says you’re incapacitated. If you are incapacitated for more than a week or so beyond the end of the term, your grade in the course will be an “Incomplete.” Once you make up the course requirement the instructor will change your "I" to the appropriate letter grade.

School Closings and Delays: Information regarding official University closing and delays can be found on the campus website and the snow phone line: (301) 405-SNOW (405-7669).

Students with Disabilities: The University of Maryland does not discriminate based on differences in age, race, ethnicity, sex, religion, disability, sexual orientation, class, political affiliation, and national origin. Reasonable accommodations will be made to students with documented disabilities. I will make every effort to accommodate students who are registered with the Disability Support Services (DSS) Office and who provide me with a University of Maryland DSS Accommodation form.

Academic Progress: The graduate school requires that students maintain a GPA of at least 3.0. Students whose cumulative GPA falls below 3.0 will be placed on academic probation by the graduate school. Students on academic probation must ask the program’s director to petition the graduate school if they want to remain in the program. The petition must include a plan for getting the student’s GPA up to at least 3.0. Students who do not live up to their plan can be forced to leave the program without having earned the degree.

Building Access: The door to the building at 1400 16th Street is unlocked on weekdays until 7:00 p.m. Students who arrive after 7:00 will find the door locked. The building’s security guard is stationed at a desk just inside the door until 11:00 p.m. and will let you in. You can also call the phone on the security guard’s desk by dialing (202) 328-5158. If the security guard happens to be away from his or her desk when you arrive, you can pick up the black phone to the right of the door at 1400 16th Street. You will be connected to the company that handles security for our building. If you tell them you are with the University of Maryland, they should ask you for a password. The password is “Drawbridge.” When you tell them the password, they will be able to unlock the door for you.