

Boston College  
Chestnut Hill, Massachusetts

LAW AND ECONOMICS  
(Economics 338)

Fall Term, 1997  
Prof. Mary Oates

W 3-5 p.m.  
Office hour: W 2-3 p.m.  
Camey 144

Aim of the Course:

Economic issues are a recurring source of litigation, and the media regularly report legal battles. Our judicial system has incorporated many economic expressions in legal decisions. This course introduces students to recent applications of economic analysis to important areas where legal and economic concerns interface and considers their public policy implications. The performance and efficiency of legal institutions will be evaluated and issues in the common law fields of property, torts, and contract law will be featured.

Presentation of the Course:

The course will be a combination of lectures and discussion. Students will have opportunity to express their ideas in oral presentations, written papers, and class discussions. Dates and topics for oral presentations will be determined at the first class meeting. Students are expected to attend all classes and to participate in class discussions.

Two hour-tests will be given on October 8 and November 5th. A final examination is scheduled for Monday, December 15, at 9 a.m. These tests aim to discover the degree of student mastery of the factual knowledge and intellectual tools used by economists. Questions will focus on key topics and cases discussed in lectures, text, and class discussions. Students will write a brief paper [5 pages, double-spaced] analyzing a legal case relevant to a topic considered in the course. This paper is due on December 3. Factors entering into the determination of paper grades include quality of analysis, documentation, effectiveness of writing style, and, of course, grammar, spelling, and punctuation.

Course Grade:

2 hour-tests	15% each
final examination	30%
oral presentation	15%
paper	20%
class participation	5%

These procedures and the course schedule that follows are subject to change in the event of extenuation circumstances.

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Ec 338

M. Oates

## COURSE OUTLINE

Text: Robert Cooter and Thomas Ulen. *Law and Economics*. Reading, MA: Addison-Wesley, 1997. [second edition] On sale in bookstore.

### Class Schedule

#### **September 3:**

An Introduction to Law and Economics  
Cooter and Ulen (C & U), chapter 1; chapter 2 (33-44)\*

#### **September 10:**

An Introduction to Law and Legal Institutions  
C & U, chapter 3

Discussion:  
Butterfield v. Forrester (1809)  
Davies v. Mann (1842)

#### **September 17:**

An Economic Theory of Property  
C & U, chapter 4 (69-74; 78-94; 100-104)

Discussion:  
Ploof v. Putnam (1908)  
Vincent v. Lake Erie Transport Co. (1910)

#### **September 24:**

Topics in the Economics of Property Law  
C & U, chapter 5 (111-53)

Discussion:  
Pierson v. Post (1805)  
Hammonds v. Central Kentucky Natural Gas Co. (1934)

**\* Note: Give special attention to pages in parentheses.**

**October 1:**

An Economic Theory of Contract  
C & U, chapter 6 (161-67; 172-3; 176-77; 180-81; 186-93)

Discussion:  
Laidlaw v. Organ (1815)  
Boomer v. Atlantic Cement Co., Inc. (1970)

**October 8:**

HOUR-TEST 1

Contracts Contrary to Statutes

**October 15:**

Topics in the Economics of Contract Law  
C & U, chapter 7 (203-14; 231-58)

Discussion:  
Hawkins v. McGee (1929)  
Williams v. Walker-Thomas Furniture Co. (1965)

**October 22:**

An Economic Theory of Tort Law  
C & U, chapter 8 (259-70)

Discussion:  
Escola v. Coca Cola Bottling Co. (1944)  
U.S. v. Carroll Towing Co. (1947)

**October 29:**

Topics in the Economics of Tort Liability  
C & U, chapter 9 (295-303; 306-33)

Discussion:  
Palsgraf v. Long Island Railway Co. (1928)  
Reyes v. Wyeth Laboratories (1974)

**November 5:**

HOUR-TEST 2

Arbitration and Mediation

**November 12:**

An Economic Theory of the Legal Process  
C & U, chapter 10 (334-36; 362-82)

Discussion:

Furman v. Georgia (1972)  
Barefoot v. Estelle (1983)

**November 19:**

An Economic Theory of Crime and Punishment  
C & U, chapter 11 (383-89; 394-98)

Paper Reports I

**December 3:**

Topics in the Economics of Crime and Punishment

Paper Reports II