EC 338: LAW AND ECONOMICS
Fall 2013
Professor James A. Dalton

Office Hours: Mondays and Wednesdays.
7:15-8:15am; 10:00am-12:30pm;
or by appointment
Office: Maloney Hall, 480B
Email: (1) jdalton7@comcast.net (for brief communication); (2) daltonjc@bc.edu (for papers only).

Prerequisites: Students are expected to be well grounded in microeconomic theory. And your performance is at risk if you have not fulfilled all five requirements specified for this course. I will use the tools developed in those courses but will not devote class time to teach them again.


Method: This course requires active participation on a class-by-class basis. Although I frequently will use the traditional lecture method, I also will call on students in each class to discuss assignments and paper topics. Other experts will be introduced to the class. This course also relies on two short “critical thinking” papers and numerous reading assignments in lieu of a substantial research paper.

Grading: The final grade will be based on performance in the following categories:
- First Exam 30%
- Second Exam 40%
- Research Papers 30%

There will be no makeup exams. Only under extremely extenuating circumstances will an excused absence be considered for another substitute assignment. Late submissions of papers will be penalized.

Course Calendar, Syllabus, Assigned Readings and Forbidden Items: The syllabus herein lists the assigned material for each class. I reserve the option to change assignments and dates for exams during the semester. “C & U” designates assignments in the textbook. The course pack contains a table of contents. Laptops and recording devices are forbidden and, along with media devices, must be kept in your bags.

Discussion Papers: You must submit discussion papers of three pages on the dates specified in the syllabus. Each paper carries a weight of 15% toward calculation of your final grade. Your topic must be linked to the economic issues that we are studying; legal analyses and synopses of legal matters are not acceptable. Team projects also are not acceptable. Class discussion, handouts and the text will provide numerous examples of the type of topics for the papers, but these examples of topics cannot be used in your discussion papers. YOU must develop the topics and then you should meet with me to discuss whether the topic fits the course, but such a meeting is not required. In the paper you must present a careful specification of the topic (the what) that you will discuss, explain why it is relevant to the course, and then analyze the economic efficiency aspects of the issue. The papers must be submitted to me at the BC email address listed above. Late submissions will be penalized; no excuses will be accepted.

A session is scheduled with an information services expert. There you can further develop skills to assist your search for a topic if you need input for the papers. Every source must be documented and you must attach a bibliography. ALWAYS cite to a source if you use its contents. The analytical portion of
your paper will be more than two- but not more than three- pages in length. Footnotes with substance, graphs, tables and the bibliography are to be on an additional page(s). And these additional pages must be incorporated into a single document. When citing to sources within the text, place in parentheses the author’s name, and page number where I can find the information to which you referred in the text (e.g., Smith, p.32 when the full cite for Smith’s work is listed in the bibliography.)

When submitting the paper, save it as EC338 [space] the number 1 (or 2) space [your last name] - 1 if it is your first paper and 2 if it is your second paper (e.g., EC338 1 Dalton.) At the very top of p.1, insert the topic’s title and your name. Number the pages. And have a reliable proof reader examine your writing before submission. I can open a document if it is compatible with Word format.

Academic integrity will be respected in my courses. The Dean of A&S has asked faculty to include the following statement to students in course syllabi.

“Boston College values the academic integrity of its students and faculty. It is your responsibility to familiarize yourself with the university’s policy on academic integrity:

http://www.bc.edu/integrity

If you have any questions, always consult your professor.

“Violations of academic integrity will be reported to your class dean and judged by the academic integrity committee in your school. If you are found responsible for violating the policy, penalties may include a failing grade as well as possible probation, suspension, or expulsion, depending on the seriousness and circumstances of the violation.”

Visiting family and friends are very welcome to attend your class. Inform me in advance and introduce them to me before class begins.
SYLLABUS and READING ASSIGNMENTS

I. Introduction and Overview

September 5
A. Thinking as lawyers & economists

September 9
B. Law, legal institutions, efficiency

September 11
C. “Rationality”, “efficiency”, “fairness” & principles of economics
   C & U, Ch. 2.

D. Capitalism, markets and market failure
   H. Petersen, “Markets Are Good”; Pope John Paul II on “The Economics of Human Freedom.”

II. Economic Theory of Property

September 16
A. What is owned? Why?
   “The Commons”; “Takings”

September 18  B.1. Externalities and the Coase Theorem  C & U, Ch. 4, pp. 81-91; Harrison, *Fontainbleau* matter.

September 23  B.2. Coase and Public Goods  TBD


October 2  Optional: Submission of potential topics for first critical thinking paper


October 14  Holiday (Columbus Day), no class


October 21  Session with Expert from Information Services on Research Tools. Meet Barbara Mento in O’Neill 307 in the library during regular class time. There may not be a sufficient number of PCs available so it would be
appreciated if some students brought their laptops with them; the room has a wireless connection.

October 28  First Examination

III. Economic Theory of Tort Law

Oct. 30 & Nov. 4  A. Economic theory of tort law C & U, Ch. 6 and appendix.


November 5  First Discussion Paper Due

C. Antitrust Law (torts cont.)

November 11  1. Economic theory: competition, market power, market failure C & U, Ch. 2, pp. 30-38; and Dalton, “Antitrust Laws”.

2. Enforcement of antitrust policy over time Florida et al v. BMG et al.

November 13  3. Injury and “standing” revisited


IV. Economic Theory of Contract Law

November 18 & 20  A. Economic theory of contract law C & U, Ch. 8; Matter of Frigaliment v. Intervale Sales.
November 25  B. Topics in the economics of contracts  C & U, Ch. 9; 

November 27  Thanksgiving Holiday

V. Economics of Damages (efficiency, remedies)

December 2  Second discussion paper Due

December 2

A. Concepts of damages

B. Liability and causation

C. Measurement
   1. Types (e.g., personal injury, fraud, antitrust)

B. Punitive damages

December 4  Second Exam