

Course title: Law and economics				
Course code: MPE 151		No. of credits: 3	L-T-P: 32-10-0	Learning hours: 42
Pre-requisite course code and title (if any): None				
Department: Department of Policy Studies				
Course coordinator: Dr. Nandan Nawn			Course instructor: Dr. Nandan Nawn	
Contact details: nandan.nawn@teriuniversity.ac.in				
Course type: Elective			Course offered in: Semester 4	
Course description: This is a course in law and economics for economists. Law is analysed with rigorous economic techniques. Efficiency of legal rules is analysed in detail for various branches of law. Previous knowledge of law is not required for this course. However, basic microeconomics is a pre-requisite for this course. Knowledge of calculus is a pre-requisite for this course. Some case studies will also be discussed in tutorials.				
Course objectives: To induce students to pursue policy oriented research in law and economics area.				
Course contents				
S.No	Topic	L	T	P
1	Introduction and basic concepts of efficiency <ul style="list-style-type: none"> • A General Introduction to the subject • Concepts of Efficiency • Efficiency of common law 	2	0	0
2	Positive, Normative and Functional Schools in Law and Economics <ul style="list-style-type: none"> • Introduction to different schools of thought 	2	0	0
3	Economics of Property Law, Coase Theorem, Liability Rules Vs. Property Rules <ul style="list-style-type: none"> • Property Law • Coase Theorem • Externalities • Environmental Considerations • Liability Vs Property Rules • Problem of Anticommons 	8	2	0
4	Economics of Contract Law <ul style="list-style-type: none"> • Efficient Contracts • Damages • Incomplete contracts and theory of the firm 	6	2	0
5	Economics of Tort Law <ul style="list-style-type: none"> • Efficient liability rules • Analysis of liability rules • Negligence 	6	2	0
6	A brief introduction to the economics of crime <ul style="list-style-type: none"> • Use of fines and deterrence • Philosophical considerations 	4	2	0
7	Intellectual Property Rights and Innovation <ul style="list-style-type: none"> • An introduction to intellectual property rights: • Patents • Trade Secrets • Trademarks and copyrights • Innovation and choice between different protection measures 	4	2	0
Total		32	10	0
Evaluation criteria:				
1. Assignment		25%		
2. Mid-term exam		25%		
3. End-term exam		50%		

Learning outcomes: At the end of this course, students should have a novel perspective on legal rules. They would be equipped with techniques to pursue independent research in law and economics.

Materials:

Essential Readings (Selected Excerpts from the following list of references)

1. Robert Cooter, Thomas Ulen (2008), Law and Economics. (5th ed.)
2. The Economic Approach to Law (2009, 2nd ed), Stanford University Press.
3. Miceli, T. J. (1997). Economics of the law: Torts, contracts, property, litigation. OUP Catalogue.
4. Suzanne Scotchmer (2004), Innovation and Incentives.
4. Shavell, Steven (1987), Economic Analysis of Accident Law, Cambridge (MA), Harvard University Press.
5. Jain, S. K. (2010). Law and economics. Oxford University Press.
6. Coase, R. H. (1960). Problem of social cost, the. JI & econ., 3, 1.
7. Parisi, F. (2004). Positive, normative and functional schools in law and economics. European Journal of Law and Economics, 18(3), 259-272.
8. Buchanan, J. M., & Yoon, Y. J. (2000). Symmetric tragedies: Commons and anticommons. JL & Econ., 43, 1.
9. Calabresi, G., & Melamed, A. D. (1972). Property rules, liability rules, and inalienability: one view of the cathedral. Harvard Law Review, 1089-1128.
10. Hart, O. D. (1988). Incomplete Contracts and the Theory of the Firm. Journal of Law, Economics, & Organization, 119-139.
11. Cooter, R. D. (1991). Economic theories of legal liability. The Journal of Economic Perspectives, 11-30.
12. Becker, G. S. (1974). Crime and punishment: An economic approach. In Essays in the Economics of Crime and Punishment (pp. 1-54). UMI.
13. Denicolò, V., & Franzoni, L. A. (2012). Weak Intellectual Property Rights, Research Spillovers, and the Incentive to Innovate. American law and economics review,
14. 14(1), 111-140.
15. Polinsky, A. M., & Shavell, S. (Eds.). (2007). Handbook of law and economics (Vol. 2). Elsevier.

Optional Readings:

16. Katz, L. (2012). Bad acts and guilty minds: Conundrums of the criminal law. University of Chicago Press.
17. Friedman, D. D. (2001). Law's order: What economics has to do with law and why it matters? Princeton University Press.

In addition to these textbooks some other papers may be used in class, if needed

Additional information (if any):

Student responsibilities: To prepare for the lectures in advance.

Course reviewers:

1. Prof. Luigi Alberto Franzoni President, European Association of Law and Economics, and Professor, University of Bologna, Italy
2. Prof. Rajendra Prasad Kundu Assistant Professor, Centre for Economic Studies and Planning, Jawaharlal Nehru University, New Delhi.