

George Mason Law School

LAW 108: ECONOMIC FOUNDATIONS OF LEGAL STUDIES

Thomas W. Hazlett

Fall 2005

Office: 325
Phone: (703) 993-4244
Email: thazlett@gmu.edu
Office hours: Tuesday 9-10 and Thursday 12-1, or by appointment

Text: THE ECONOMIC WAY OF THINKING, 11TH ED,
by Paul Heyne, Peter Boettke, and David Prychitko [“Heyne”]

BASIC ECONOMICS: A CITIZEN’S GUIDE TO THE ECONOMY, REVISED AND EXPANDED
EDITION,
by Thomas Sowell

Course Description: This class will examine how individuals make economic choices, and how these choices add up to produce market outcomes. While economics is often described as the Dismal Science, given its focus on allocating scarce resources, understanding the constraints bearing on our decisions need not be depressing. It affords a rich explanatory model for a wide variety of behavior, and is a useful tool for law and public policy – which set rules for economic activity and are designed to produce economic results.

Grading: 90% Final Exam; 10% Class Participation. A practice test will be administered mid-semester.

COURSE OUTLINE

Week 1: The Economic Way of Thinking

- Heyne chapter 1
- Sowell chapter 1

Week 2: Markets, Prices, and Demand

- Heyne chapters 2 & 3
- Sowell chapters 2 & 3

Week 3: Opportunity Costs

- Heyne chapters 4 & 5
- Sowell chapter 4

Week 4: Supply and Demand

- Heyne chapters 6 & 7 (Appendix of Ch. 7 not included)
- Sowell chapter 5 & 6

Week 5: Time, Risk, and Uncertainty

- Heyne chapter 7 Appendix
- Sowell chapter 12-14

Week 6: Market Structure

- Heyne chapters 8 & 9
- Sowell chapters 7 & 8

Week 7: Antitrust

- Heyne chapters 10
- Robert Bork, Antitrust Paradox, chapters 4-6

Week 8: Factor Markets

- Heyne chapters 11
- Sowell chapters 9-11
- **Practice Exam**

Week 9: Property Rights

- R.H. Coase, *The Problem of Social Cost*, 3 J L & ECON (1960)
- Heyne chapters 11
- Sowell: chapters 9-11

Week 10: Common Interest Tragedies

- M. Heller, *The Tragedy of the Anti-Commons*, HARV L R (1998)
- Heyne chapters 11
- Sowell chapters 9-11

Week 11: Contracts

- TBA

Week 12: Torts

- TBA

Week 13: Applications and Review

- TBA

Final Exam: December 13, 2005 @ 12pm