

# Economics For Lawyers Law 108

Fall 2021  
Tuesday & Thursday, 1:50-3:15pm

Professor James C. Cooper  
703-993-9582  
[jcoope20@gmu.edu](mailto:jcoope20@gmu.edu)

---

**OVERVIEW:** This class will provide first-year law students with an introduction to the basic tools involved in microeconomics (including supply and demand analysis, game theory, the economics of information, and a handful of statistical concepts), and an application of these tools to various areas of the law. This course will prepare students to think critically about the economic implications of legal rules, which will provide them with a valuable resource in their future practice of the law. No prior knowledge of economics is assumed or required to perform well in this class.

**LEARNING OUTCOMES:** By the end of the course, students will:

- Understand the fundamental microeconomic theory of consumer and firm behavior
- Understand basic statistical concepts, such as probability, expected value and variance
- Understand fundamental economics of information and competition
- Be able to think critically about the economic implications of legal rules

**BASIS OF EVALUATION:** Your grade will be determined by two remote examinations, class participation, and homework:

- **The Midterm examination** will take place during class on **Thursday, October 14**. The Midterm Examination will be worth 30% of your grade, and it will consist of multiple choice questions comprising **only** the material that has been covered in class to that point.
- **The Final Examination** will take place from 12pm-3pm on **December 6**. The Final Examination will comprise the remaining 70% of your grade, and

it will consist of multiple choice covering ALL of the material in the course. If you perform better on your Final Examination than on your Midterm Examination, the Midterm Examination **will not count** toward your final class grade, and your Final Examination grade will count for **100%** of your final class grade.

- **Participation and homework:** I expect students to be prepared to discuss assigned readings in class. Consistently outstanding class participation or consistently demonstrated lack of preparation may result in 1/3 letter-grade adjustment to your final grade (e.g., B to a B+ or a B-). I also will assign homework problems from time to time that I will expect to be turned in electronically via TWEN on time. Failure to turn in assignments will result in 1/3 letter-grade deduction from your final grade.

**OFFICE HOURS:** Wednesday 12pm-2pm, and by appointment. I encourage you to email me questions that may arise as you study and prepare for this class. I typically respond quickly.

**TEXT:** The primary casebook is: [HENRY N. BUTLER, JOANNA SHEPHERD BAILEY, & CHRISTOPHER R. DRAHOZAL, ECONOMIC ANALYSIS FOR LAWYERS](#) (3<sup>rd</sup> Edition) (referred to as “BDS”). This book is supplied to students free of charge as a PDF file that can be read electronically or printed out. I also require N. GREGORY MANKIW, PRINCIPLES OF MICROECONOMICS (6<sup>th</sup> Ed. 2012), which should be available online for around \$20. I will also assign outside readings that I will post on TWEN. The preliminary reading schedule is listed below, but likely will be adjusted as the semester progresses. I have highlighted the cases that we will discuss in detail for each class.

**ATTENDANCE:** Regular and punctual attendance are required to earn academic credit. Attendance requirements for academic credit will follow the policies set forth in Academic Regulation 4-1. Should circumstances occur where you anticipate the possibility of missing a substantial number of class sessions (e.g. a serious illness), you should immediately contact the Assistant Dean, Student Academic Affairs.

**INTELLECTUAL PROPERTY:** I own all course content that I create (e.g. PPT slides), regardless of form (electronic, print, audio/ video, etc.), including

recordings of class sessions, office hours, and other meetings. You are forbidden to use them with, or distribute them to, anyone other than your classmates in this course.

**CLASS RECORDING:** Pursuant to Academic Regulation 4-2.2, no portion of a class session or an examination may be preserved by means of a recording device such as an audio recording device or camera. Any exceptions to this policy must be expressly permitted in writing by me.

**ACADEMIC INTEGRITY:** It is expected that students adhere to the Antonin Scalia Law School Honor Code. The Honor Code prohibits lying, cheating, or stealing. This includes a student obligation to never represent the work of another as their own, and to never provide or accept unauthorized assistance on any school related assignment. The Honor Code is available here: <https://sls.gmu.edu/honor/>.

### Course Assignments and Schedule

Date	Topic
August 24	<b>Introduction to Law &amp; Economics and the Economic Way of Thinking:</b> <ul style="list-style-type: none"><li>• BDS – Chapter I.A, I.C</li><li>• Mankiw – Chapters 1 &amp; 2</li></ul>
August 26	<b>Price Theory: Demand</b> <ul style="list-style-type: none"><li>• BDS – Chapter II.A, G.1</li><li>• Mankiw – Chapters 4 (pp. 65-71); 5 (pp.89-97); 7 (pp.135-140)</li></ul>
August 31	<b>Demand Continued</b>
September 2	<b>Price Theory: Supply</b> <ul style="list-style-type: none"><li>• BDS – Chapters II.B,G.2; IX.A</li></ul>

- Mankiw – Chapter 4 (pp.73-75); 5 (pp. 98-100); 7 (pp.141-144); 13

September 7

**Price Theory: Market Equilibrium & Elasticity:**

- BDS – Chapter II.C-D,G-H
- Mankiw – Chapters 4 (pp.77-84); 5(pp.101-06); 6; 7 (pp.145-50); 8

Cases:

- *Competitive Enterprise Institute v. NHTSA*

September 9

**Price Theory: Price Controls:**

- BDS—Chapter II.F.

Cases:

- *M. Krause & Bros, Inc. v. United States*
- *Jones v. Star Credit Corp.*
- *State of Florida v Medina*\_(Circuit Court - 11th Judicial Circuit, Miami-Dade County, FL).

September 14

**Competition & Monopoly:**

- BDS – Chapter IX.B.1-2
- Mankiw – Chapters 14 & 15

Case:

- *Verizon Comm'ns Inc. v. Law Offices of Curtis V. Trinko, LLP*

September 26

**Competition & Monopoly Continued**

September 21

**Risk & Uncertainty:**

- BDS – Chapter VI.A-C

September 23

**Risk & Uncertainty Continued**

September 28

**Game Theory:**

- BDS – Chapter I.D
- Randy Picker, [\*An Introduction to Game Theory and the Law\*](#)

Case:

- *Page v. United States*

September 30

**Game Theory Continued**

October 5

**Property Rights, Externalities, and Coase:**

- BDS – Chapters I.B; IV

Cases:

- *Fontainebleau Hotel Corp. v. Forty-Five Twenty-Five, Inc.*
- *Spur Industries v. Del E. Webb Development Co.*

October 7

**Catch Up and Midterm Review**

October 12

**NO CLASS – FOLLOW MONDAY SCHEDULE**

October 14

**MIDTERM EXAMINATION**

October 19

**Property Rights, Externalities, and Coase Continued**

October 21

**Intellectual Property:**

Cases:

- *Eldred v. Ashcroft*
- *MGM Studios, Inc. v. Grokster, Ltd*

October 26

**Economics of Information:**

- BDS – Chapter V.A-B.

Cases:

- *Virginia St. Bd. of Pharmacy v. Virginia Citizens Consumer Council*, 425 U.S. 748 (1976)
- *Hadley v. Baxendale*, 9 Ex. 341 (Ct. of Exchequer 1854)

October 28

**Economics of Information Continued**

November 2

**Economics of Contract Law:**

- BDS – Chapter II.D.3; Chapter V.C.

Cases:

- *Alaska Packers Ass'n v. Domenico*

- *Lake River Corp. v. Carborundum Co.*
- *Eastern Air Lines, Inc. v. Gulf Oil Corp.*
- *Peevyhouse v. Garland Coal & Mining Co.*
- *Sedmak v. Charlie's Chevrolet, Inc.*

November 4                      **Economics of Contract Law Continued**

November 9  
(Via Zoom)                      **Economics of Tort Law:**

- BDS – Chapter VI.D

Cases:

- *United States v. Carroll Towing Co.*
- *Greenman v. Yuba Power Products, Inc.*

November 11  
(Via Zoom)                      **Economics of Tort Law Continued**

November 16                      **Economics of Crime**

- BDS Chapter VII

Case:

- *United States v. Gupta*

November 18                      **Economics of Crime Continued**

November 23                      **Catch up and Final Review**

**DECEMBER 6**  
**(12pm-3pm)**                      **FINAL EXAM**

---