Economics for Lawyers -- Law 108
Antonin Scalia Law School at George Mason University
Fall 2021

Nuno Garoupa
Professor of Law & Associate Dean for Research and Faculty Development
Phone: (703) 993 8184
E-mail: ngaroup@gmu.edu
Office: 440C (to be changed to 324 soon)

This version: 06/07/2021

Welcome to Economics for Lawyers
Economics for Lawyers is an introduction to a diverse set of materials designed to improve students' analytical abilities. The objective of the course is to provide with a set of skills that can be used to analyze legal problems, including microeconomic theory, game theory, and a handful of statistical concepts. Background knowledge is neither assumed nor required.

From the Catalog...
Economics for Lawyers (formerly Economic Foundations of Legal Studies) exposes students to a broad survey of economic, statistical, finance and accounting concepts in which those concepts play a crucial role in determining the outcome of legal disputes. Students will not become expert in these technical areas but will be exposed to both the mechanics and subtleties of these tools. The goal is to educate and train students so that they will be better prepared to understand a dispute, craft an argument, or prepare a witness.

Student Learning Outcomes
Students will interpret basic economic analyses.
Students will apply economic reasoning to legal questions.
Students will construct appropriate economic assessments of legal policies.
Students will summarize the main limitations to economic considerations in relevant fields of law.

Office Hours: Office hours will be: Monday, 4.00-5.15pm (I may adjust office hours later in the semester if that time does not prove to be convenient). I am usually available for shorter questions immediately after class. I am also generally available via appointment, email, or some other platform such as zoom. Group requests get priority over individual requests.

Email Communication: Students must use their MasonLive email account to receive important University information, including communications related to this class. I will not respond to messages sent from or send messages to a non-Mason email address.

Casebook and Course Materials:
There is mandatory reading (you should prepare for class by reading and thinking carefully through the assigned mandatory materials), recommended reading (you should complement your study practices with these materials), and suggested reading (in case you require additional reading and only selected chapters indicated in the syllabus).

Mandatory reading:
H. BUTLER, C. DRAHOZAL, J. SHEPHERD, ECONOMIC ANALYSIS FOR LAWYERS (3RD ED.)
(includes link to full book)

Recommended reading:
N. GREGORY MANKIW, PRINCIPLES OF MICROECONOMICS (9TH ED.)
(earlier editions can be used; see table at the end of the syllabus)

Suggested reading:
A. M. POLINSKY, AN INTRODUCTION TO LAW AND ECONOMICS (5TH ED.)
(includes link to summary)
M. L. STEARNS, T. J. ZYWICKI, T. J. MICELI, LAW AND ECONOMICS: PRIVATE AND PUBLIC
(includes link to summary)
R. COOTER, T. S. ULEN, LAW AND ECONOMICS (6TH ED.)
(includes link to full book)
D. G. BAIRD, R. H. GERTNER, R. C. PICKER, GAME THEORY AND THE LAW
(includes link to summary)
M. O. FINKELSTEIN, B. LEVIN, STATISTICS FOR LAWYERS (3TH ED.)
(includes link to full book)

Supplemental materials will be posted on TWEN.

Class Preparation: Course sessions will be more "lecture-based" than your other law courses; however, we will also spend considerable class time working through the materials together. **You can and should expect to do a substantial proportion of your learning outside of lecture.**

Class attendance is of paramount importance. We also encourage you to form study groups as early as possible.

Some general guidelines are as follows: (1) you should attend class in a manner consistent with current Law School policies, (2) quality of participation is weighed much more heavily than quantity, (3) failure to prepare for class is the easiest way to assure a downward participation adjustment.

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.

Attendance will be tracked by visually surveying the class.

Homework: I will distribute ungraded homework assignments as the semester goes by. These will help you in reviewing the assigned materials in a timely manner.

Weekly Tutorials (Optional but Strongly Recommended): There will be a weekly tutorial to discuss ungraded homework assignments and additional materials. *Details to be announced later.*

Graph Tutorial (Optional but Strongly Recommended): The first tutorial will go over graphing exercises. These exercises will help you understand graphs which will be used frequently throughout the class to explain various concepts (e.g. supply, demand, shifts and movements along the curve). *Details to be announced later.*

Midterm Exam: There will be a multiple-choice midterm examination, **Thursday, October 21st, 9.50-11.15am** covering the material in the syllabus prior to that date. It will account for 35% of your grade. If you get a better grade at the final exam, the midterm exam will not count.

Final Exam and Grading: The multiple-choice final exam is scheduled for **Monday, December 6th at noon**. It will account for 65% of your grade. If you have a better grade at the final exam than at the midterm exam, the final exam will count 100%. The final exam will cover material throughout the semester (including material prior to the midterm).

Your grade is subject to a discretionary class participation adjustment of 1/3rd of a grade in **either** direction.

The exam will be open book and open notes.

In accordance with AR 4-4.1, justifications and requests for permission not to sit for an examination when scheduled must be presented, with appropriate documentation, to the Assistant Dean, Student Academic Affairs. Except in emergencies, such requests should be presented no later than two weeks before the date of the examination.

Syllabus is Preliminary and Subject to Change: I may deviate from the tentative syllabus with assignments taken from current events, new cases, to accommodate guest speakers, scheduling reasons, etc. Please make sure you are signed up to receive updates via TWEN.

Intellectual Property: The professors teaching Economics for Lawyers at Scalia Law own all course content we 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 Prohibited: 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.

Course sessions are recorded and available only upon express direction from Assistant Dean, Student Academic Affairs to accommodate a student for a COVID-related absence.

Covid Instructional Contingency Plan: The course will transition from in person to zoom platform in the event the University requires remote instruction or in the event I am unable to attend in person.

Covid Health & Safety Requirements: Please note the most up-to-date University policies [here](#).

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/.

Classroom Accommodations: Disability Services at George Mason University is committed to providing equitable access to learning opportunities for all students by

upholding laws that ensure equal treatment of people with disabilities. If you are seeking accommodations for this class, please visit http://ds.gmu.edu/ for detailed information about the Disabilities Registration Process. Faculty may not receive or respond to requests for an accommodation. All requests must be handled by the office of Disability Services. You may contact Disability Services directly via email at ods@gmu.edu or phone at (703) 993-2474**.** If you have any questions about how in-class or testing accommodations are implemented at the law school, please contact the Assistant Dean, Student Academic Affairs for more information.

General Academic Regulation: Available here**.**
University Life: University Life provides student support resources such as **Counseling and Psychological Services (**https://caps.gmu.edu/**), Student Health Services (**https://shs.gmu.edu/**),** and the **Student Support and Advocacy Center (**https://ssac.gmu.edu/**).** For more information about University Life on the Arlington Campus, please visit: https://ularlington.gmu.edu/

READING ASSIGNMENTS (DAY SECTION)

August 24	**Introduction**
	Mandatory - Butler et al, pp. 3-12; 33-39; 45-53
	Recommended - Mankiw, pp. 2-13; 17-21; 25-32
	Suggested – Polinsky, pp. 1-12
	Suggested – Cooter and Ulen, pp. 1-10
August 26	**Price Theory 1: Demand**
	Mandatory - Butler et al, pp. 55-58; 89-91
	Recommended - Mankiw, pp. 35-44; 63-68; 87-96
	Suggested – Stearns et al, pp. 33-39; 47-49
August 31	**Price Theory 2: Supply**
	Mandatory - Butler et al, pp. 12-17; 58-62; 91-97; 109-115 (on elasticity)
	Recommended - Mankiw, pp. 69-72; 97-106; 243-260
September 2	**Price Theory 3: Equilibrium & Efficiency**
	Mandatory - Butler et al, pp. 51-53; 62-79; 98-108
	Recommended - Mankiw, pp. 73-82; 109-128; 131-148
	Suggested – Stearns et al, pp. 39-46
	Mandatory case reading and discussion:
	Competitive Enterprise Institute v. NHTSA (1992), pp. 93-96, Butler et al
September 7	**Price Theory 4: Market Structure**
	Mandatory - Butler et. al, pp. 481-521
	Recommended - Mankiw, pp. 287-301; 308-312; 335-354
	Suggested – Stearns et al, pp. 49-55
	Mandatory case reading and discussion:
	Verizon Communications Inc. v Law Offices of Curtis V. Trinko LLP (2004), pp. 520-523, Butler et al
September 9	**Price Theory 5: Review/Catching-Up**

September 14   **Basic Probability Theory & Statistics**
Mandatory **-** Butler et al, pp. 291-294
Suggested – Finkelstein and Levin, pp. 1-45; 61-76

Mandatory - Complete the readings and exercises in the
chapters listed below on "onlinestatbook":

1) Introduction, Independent probabilities, Conditional
   Probabilities (V.1, V.2 and V.3.)
http://onlinestatbook.com/2/probability/probability.html
http://onlinestatbook.com/2/probability/probability_intro.html
http://onlinestatbook.com/2/probability/basic.html

2) Expected Values, Medians, Modes (III.4)
http://onlinestatbook.com/2/summarizing_distributions/measur
es.html

3) Variability and Variance (III.13: READ VARIABILITY,
   RANGE, VARIANCE ONLY UNTIL THE END OF TABLE
   1)
http://onlinestatbook.com/2/summarizing_distributions/what_is
_ct.html

September 16   **Decision Making Under Uncertainty & Risk**
Mandatory - Butler et al, pp. 294-299
Suggested – Polinsky, pp. 57-62

September 21   *(This class will be by zoom – link to be circulated later)*
Intertemporal Choices & Present Discounted Values
Mandatory - Butler et al, pp. 565-591

Mandatory case reading and discussion:
Haugan v Haugan (1984), pp. 574-578, Butler et al
Diocese of Buffalo v State of New York (1969), pp. 578-581, Butler
at al
Trevino v US (1986), pp. 582-586, Butler et al

O'Shea v Riverway (1982), pp. 587-591, Butler et al

September 23   **Game Theory 1: Simultaneous Games**
Mandatory - Butler et al, pp. 39-45
Suggested – Baird et al, pp. 6-49
Suggested – Stearns et al, pp. 575-584; 617-641

Mandatory case reading and discussion:
Page v. United States (1989), pp. 41-45, Butler et al

September 28   **Game Theory 2: Sequential Move Game**
Suggested – Baird et al, pp. 50-77
Suggested – Stearns et al, pp. 585-597

September 30   **Game Theory 3: Repeated Games**

October 5   **Market Failures (I)**
Mandatory - Butler et al, pp. 26; 125-129; 222-229
Suggested – Polinsky, pp. 103-106; 147-154
Suggested – Stearns et al, pp. 63-66

Mandatory case reading and discussion:
Hall v. Continental Casualty (2002), pp. 300-304, Butler et al
Atwater Creamery Co v WNMI Co (1985), pp. 304-308, Butler et al
Mowry v Badger State Mutual Casualty Co. (1986), pp. 308-314, Butler at al

October 7   **Market Failures (II)**
Mandatory - Butler et al, pp. 231-254; 299-308; 314-316
Suggested – Stearns et al, pp. 221-227; 254-258

October 12   **OFF – Following Monday Schedule**

October 14   **IN CLASS MIDTERM REVIEW**

October 19   **No Class (*midterm exam preparation*)**

October 21   **MIDTERM EXAM**

October 26   **IN CLASS MIDTERM REVIEW**

October 28   **Property Rights: Externalities & Coase Theorem (I)**

Mandatory **-** Butler et al, pp. 17-25; 27-33; 185-222

Suggested – Polinsky, pp. 13-16; 107-112

Suggested – Cooter and Ulen, pp. 70-108

Suggested – Stearns et al, pp. 221-227; 254-258

Mandatory case reading and discussion:
Fontainebleau Hotel Corp v Forty-Five Twenty-Five Inc. (1959),
pp. 30-33, Butler et al

November 2   **Property Rights: Externalities & Coase Theorem (II)**

Mandatory case reading and discussion:
Boomer v Atlantic Cement Co (1970), pp. 207-213, Butler et al
Spur Industries Inc v Del E. Webb Development Co (1972), pp.
213-217, Butler et al

November 4   **Economics of Torts**

Mandatory - Butler et al, pp. 327-362

Suggested – Polinsky, pp. 16-28; 43-56; 71-78; 113-132

Suggested – Cooter and Ulen, pp. 187-275

Suggested – Stearns et al, pp. 69-91; 95-98; 121-129

Mandatory case reading and discussion:
United States v Carroll Towing Co (1947), pp. 328-335, Butler et al

November 9   **Economics of Contracts: Damage Measures, Breach, and
Reliance**

Mandatory - Butler et al, pp. 62-73

Suggested – Polinsky, pp. 29-42; 63-70

Suggested – Cooter and Ulen, pp. 276-306

Suggested – Stearns et al, pp. 176-187; 200-206

November 11   **Economics of Civil Procedure**

Mandatory - Butler et al, pp. 158-181

Suggested – Polinsky, pp. 133-146

Suggested – Cooter and Ulen, pp. 382-409

Suggested – Stearns et al, pp. 357-385

November 16   **Economics of Law Enforcement**
Mandatory - Butler et al, pp. 383-420
Suggested – Polinsky, pp. 79-102
Suggested – Cooter and Ulen, pp. 454-484
Suggested – Stearns et al, pp. 307-336; 339-350

November 18   **Economics of Criminal Procedure**
Suggested – Stearns et al, 400-411

Mandatory case reading and discussion:
Tate v Short (1971), pp. 402-404, Butler et al
Ewing v California (2003), pp. 409-412

November 23   **FINAL REVIEW**

READING ASSIGNMENTS FROM MANKIW (EARLIER EDITIONS)

DATE	5th EDITION	6th EDITION	7th EDITION	8th EDITION	9th EDITION
AUG 24	3-13, 17-19, 21-31	3-13, 19-20, 21-31	3-13, 17-18, 19-27	3-12, 19-22, 24-33	2-13; 17-21; 25-32
AUG 26	38-39, 40-48, 65-72, 89-94	39, 40-46, 65-72, 89-93	35-36, 37-45, 65-72, 89-94	37-45, 66-72, 89-98	35-44; 63-68; 87-96
AUG 31	73-76, 99-103, 267-282	73-76, 98-103, 259-274	73-76, 98-107, 259-274	73-76, 99-110, 247-266	69-72; 97-106; 243-260
SEP 2	77-85, 114-130, 135-152	77-84, 111-128, 135-151	77-85, 111-129, 135-151	76-88, 111-130, 133-152	73-82; 109-128; 131-148
SEP 7	311-325, 332-338, 365-369	299-313, 318-324, 349-355	299-313, 319-323, 347-353	289-303, 308-317, 337-358	287-301; 308-312; 335-354