

Economics for Lawyers -- Law 108
Antonin Scalia Law School at George Mason University
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Nuno Garoupa
Professor of Law & Faculty Director of Graduate Studies
Phone: (703) 993 8184
E-mail: ngaroup@gmu.edu
Office: 324

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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 students 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 known as 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 experts 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.

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:

The choice of reading has been one of the difficult issues in this course since I started teaching it in 2018. My experience is that students have diverse needs. Therefore, there is no “one reading fits all” and individual choices must reflect specific preferences and priorities. Students should feel free to discuss with me their reading plan and related concerns.

There is mandatory reading. You should prepare for class by reading and thinking carefully through the assigned mandatory materials. These materials include the basic concepts and the cases we discuss in class. For students extremely familiar with economics, the assigned mandatory reading might be enough. For other students, the mandatory reading is insufficient and likely to be ineffective without additional help.

The recommended readings should complement your study practices. These materials include further developments and explanations about what we cover in class.

There is a list of suggested readings in case you require additional sources. Please consider the 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 readings:

For the first part of the course:

[N. GREGORY MANKIW, PRINCIPLES OF MICROECONOMICS \(9TH ED.\)](#)

(earlier editions can be used; see table at the end of the syllabus)

For the second part of the course:

[A. M. POLINSKY, AN INTRODUCTION TO LAW AND ECONOMICS \(5TH ED.\)](#)

(includes link to summary)

For game theory:

[D. G. BAIRD, R. H. GERTNER, R. C. PICKER, GAME THEORY AND THE LAW](#)

(includes link to summary covered in class)

Suggested readings:

[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)

[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.

The office hours will be used to discuss ungraded homework assignments and additional materials. Participation is voluntary/optional and will have no impact on final grading. It is highly recommended you attend these sessions if you struggle with the ungraded homework assignments.

Office Hours: Office hours will be Wednesday, 5.00-6.15pm (I may adjust office hours later in the semester if that time does not prove to be convenient) on zoom.

Please use this zoom link:

<https://gmu.zoom.us/j/97366454254?pwd=Yzh5MC9ydVJSVUtjakYwTjJGSmFDZz09>

The first meeting on **Wednesday, August 23rd, 5.00-6.15pm** 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).

The second meeting on **Wednesday, August 30th, 5.00-6.15pm** will go over problem set 1. More problem sets will follow.

I am usually available for shorter questions immediately after class. I am also generally available via appointment, email, or some other platform. Group requests get priority over individual requests.

Midterm Exam: There will be a multiple-choice midterm examination, **Monday, September 25^h, 1.50-3.15pm** covering the material in the syllabus prior to that date. It will account for 35% of your grade. If you get a better grade on the final exam, the midterm exam will not count.

The midterm exam will be open book and open notes.

Final Exam and Grading: The multiple-choice final exam is scheduled for **Thursday, December 7th 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 final 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 sign 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.

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.

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

- August 21** **Introduction**
Mandatory - Butler et al, pp. 3-12; 33-39; 45-53
Recommended - Mankiw, pp. 2-13; 17-21; 25-32; Polinsky, pp. 1-12
Suggested – Cooter and Ulen, pp. 1-10
- August 23** **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 28** **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
- August 30** **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 6** **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 11	Price Theory 5: Review/Catching-Up
September 13	<p>Decision Making Under Uncertainty 1: Basic Probability Theory Mandatory - Butler et al, pp. 291-294 Suggested – Finkelstein and Levin, pp. 1-45; 61-76</p> <p>Mandatory - Complete the readings and exercises in the chapters listed below on “onlinestatbook”:</p> <p>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</p> <p>2) Expected Values, Medians, Modes (III.4) http://onlinestatbook.com/2/summarizing_distributions/measures.html</p> <p>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</p>
September 18	IN CLASS MIDTERM REVIEW
September 20	<i>(no class)</i>
September 25	MIDTERM EXAM
September 27	<p>Decision Making Under Uncertainty 2: Risk Mandatory - Butler et al, pp. 294-299 Recommended – Polinsky, pp. 57-62</p>

- October 2** **Intertemporal Choices & Present Discounted Values**
Mandatory - Butler et al, pp. 565-591
- Mandatory cases 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
- October 4** **IN CLASS MIDTERM REVIEW**
- Game Theory 1: Simultaneous Games**
Mandatory - Butler et al, pp. 39-45
Recommended – Baird et al, summary (see reading list)
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
- October 10** **Game Theory 2: Sequential Move Game**
Recommended – Baird et al, summary (see reading list)
Suggested – Baird et al, pp. 50-77
Suggested – Stearns et al, pp. 585-597
- October 11** **Game Theory 3: Repeated Games**
- October 16** **Market Failures 1**
Mandatory - Butler et al, pp. 26; 125-129; 222-229
Recommended – Polinsky, pp. 103-106; 147-154
Suggested – Stearns et al, pp. 63-66
- Mandatory cases 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 18** **Market Failures 2**

Mandatory - Butler et al, pp. 231-254; 299-308; 314-316
Suggested – Stearns et al, pp. 221-227; 254-258

October 23

Property Rights 1: Externalities & Coase Theorem

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

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

Suggested – Cooter and Ulen, pp. 70-108

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

Mandatory cases reading and discussion:

Fontainebleau Hotel Corp v Forty-Five Twenty-Five Inc. (1959),
pp. 30-33, Butler et al

October 25

Property Rights 2: Externalities & Coase Theorem

Mandatory cases 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

October 30

Economics of Torts 1

Mandatory - Butler et al, pp. 327-362

Recommended – 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

November 1

Economics of Torts 2

Mandatory case reading and discussion:

United States v Carroll Towing Co (1947), pp. 328-335, Butler et al

November 6

**Economics of Contracts 1: Damage Measures, Breach, and
Reliance**

Mandatory - Butler et al, pp. 62-73

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

Suggested – Cooter and Ulen, pp. 276-306

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

November 8

**Economics of Contracts 2: Damage Measures, Breach, and
Reliance**

November 13

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 15 **FINAL REVIEW**

November 20 **New Frontiers**

(A) Law and Macroeconomics

Yair Listokin, Law and Macroeconomics,
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2828352

(B) Law and Political Economy

Amy Kapczynski, Law and Political Economy,
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3547312

SUGGESTED READING ASSIGNMENTS FROM MANKIW (EARLIER EDITIONS)

DATE	5 th EDITION	6 th EDITION	7 th EDITION	8 th EDITION	9 th EDITION
AUG 21	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 23	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 28	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
AUG 30	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 6	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