COURSE NAME: Law & Economics

COURSE NUMBER: Econ 416, 5516L and Law 8796 (15694)

PROFESSOR: William K. Black

ESSENTIAL PREREQUISITES: None

DESIRABLE PREREQUISITES: For law students, Torts, Contracts, Criminal Law

COURSE BOOKS: None. Assignments will be posted on Blackboard.

REQUIRED:

RECOMMENDED:

METHOD OF GRADING & APPRAISAL OF STUDENT FOR GRADE:
The graded assignments will consist of a written and oral report on a subject that incorporates law and economics. The paper will be a substantial research paper and will make a clear policy recommendation. The research will incorporate theories studied in the class.

SUMMARY DESCRIPTION OF COURSE: Law and economics is a multidisciplinary approach that has had substantial influence in changing public policies and legal doctrines. The concept of multidisciplinary approaches is sound, and there is no need to limit the concept to law and economics. Much of what passes for economics in conventional law and economics courses, however, has failed the central test of economic theory, predictive strength, and failed the central test of legal theory, logical consistency. We will draw on other disciplines’ findings, including criminology and psychology to attempt to develop a sounder synthesis of law and social science.

COURSE CONTENT: The course will cover a broader range of legal topics than the traditional first year courses. It will include topics taught in more specialized and applied courses. The course is being taught simultaneously to law students and students majoring in economics so it will not consist of the reading of cases. Similarly, the course does not require prior study of economics or mathematics. The course will involve providing an overview of key legal concepts and an analysis of important social science findings relevant to evaluating and developing legal principles. The course is designed to provide a broad overview.

We will review in more depth through case studies of why bad economics has driven disastrously bad policies and caused recurrent, intensifying financial crises.
COURSE OBJECTIVES: By the end of the class, students will be able to critique the application of economic analysis to a variety of selected legal issues, and to identify the strengths and limits of economic analysis in doing so. In particular, students will be able to question the assumptions that underlie conventional economic analysis, distinguish between theoretical and factual claims, assess the importance of empirical support for economic assertions, and compare the role of economic analysis of law with other social science methods such as those grounded in criminology and psychology.

RELEVANCY OF COURSE FOR CAREER PURPOSES: This course is very relevant for anyone who expects to be involved in a policy position or who expects to address financial or banking issues, anti-trust, bankruptcy, environmental law, consumer protection, or torts or contract theory.

RELEVANCY OF COURSE FOR MD/MULTI-STATE BAR EXAMINATION: Limited relevance for the bar exam.