

Teaching Plan

1. Description

- Subject title: **Law and Economics**
- Academic year: **2012-2013** Course: **Third and fourth** Trimesters: **Third**
- Bachelor: **Economia, ADE, IBE**
- Subject code: **21941 (ECO/ADE), 21225 (IBE)**
- Number of ECTS credits: **5**
- Hours of student dedication: **125**
- Medium of teaching: **English**
- Professors: **Rosa Ferrer**

2. Presentation of the Subject

The course objective is to analyze the incentives created by laws and legal institutions, as well as their implications for economic activity. We will use microeconomic models to conduct positive and normative analysis of certain legal rules. We will complement the analysis with related empirical studies.

At the end of the course, the participant will know how to analyze legal incentives in several areas such as Property Law, Contract Law, Tort Law, and Criminal Law and have an overview of the major differences in legal systems (common versus civil law). Overall, the course analyzes the mechanisms through which to foster efficiency in legal institutions.

The basis of the course is the most widely used textbook in law and economics (Cooter & Ullen), along with other complementary readings and recent research on law and economics.

3. Content of the Course

- Chapter 1: Economic analysis of the legal process, litigation and courts
 - Legal disputes
 - Legal origins: The Civil Law and the Common Law Traditions
- Chapter 2: Property Rights
 - Acquisition of property rights and incentives
 - Conflicts: externalities and the Coase Theorem
 - Intellectual property rights: copyrights, trademarks and patents
- Chapter 3: An Economic analysis of crime, punishment and law enforcement
 - The rational model of criminal behavior
 - Empirical and theoretical applications
- Chapter 4: Contract Law
 - Why do we need Contract Law?
 - Contract enforcement and remedies
- Chapter 5: Torts
 - Strict liability, negligence and incentives
 - Applications: Product safety, medical malpractice, etc.

4. Skills to Be Acquired During the Course

Main Skills
<ol style="list-style-type: none"> 1. To be able to justify positions with consistent arguments, as well as to defend them publically 2. To develop the capacity to reason critically about controversial subjects. 3. Consolidated habits as regards self-discipline, personal standards and thoroughness in academic work and in organization and fulfillment of timescales. 4. To have a proactive attitude in exploring often ignored matters, a fundamental skill in education and professional life. 5. To be able to apply acquired knowledge flexibly and creatively to new contexts and situations. 6. To understand microeconomic strategies and their implications for management (G17 ECO, G16 ADE, G15 IBE). 7. To apply economic reasoning to decision-making (G17 ADE). 8. To identify the key factors of a problem. 9. To demonstrate a critical perspective when faced with diverse situations. 10. To apply knowledge and appropriate procedures to a range of complex situations. <p>* The reference numbers in parenthesis correspond to the list of general skills of the "Memoria para la solicitud de verificación de títulos oficiales" for ECO, ADE and IBE studies.</p>

Specific Skills
<ol style="list-style-type: none"> 1. The course will allow the student to make use of economic analysis tools to study legal rules and problems. 2. To learn legal institutions and their economics implications under different legal systems.

5. Evaluation

The course is based on the principle of continuous evaluation of students, with a special emphasis on attaining knowledge and skills.

1. The theory class and seminar participation together with the individual analysis of case studies and exercises represent 50% of the final mark, while the exam represents 50%. *In order to pass the course, the exam must have a minimum level of "Pass" ("Aprobado").*

2. For students who fail the exam, there will be a second chance in the extraordinary July exam period.
3. If a student fails to pass the exam, the mark for participation will be retained for the July exam.
4. If, in either of the two trimesters, a student obtains a mark below 5, no average will be calculated. Instead, the final mark will be 4 and the student will have to retake the exam, in September, for the trimester in which he or she failed. The mark for the trimester that was passed will be retained.
5. Participation marks are not retained from one year to another.

6. Bibliography and Teaching Materials

- Main bibliography:
 - Cooter, Robert and Ulen, Thomas (2011). Law and Economics, 6th edition (international edition), Pearson.
 - Polinsky, Mitchell A. and Shavell, Steven (2007) Handbook of Law and Economics (volumes I and II), Elsevier.

Available via UPF computers:
<http://www.sciencedirect.com/science/handbooks/15740730>

 - Shavell, Steven (2004) Foundations of the Economic Analysis of Law. Harvard University Press.
- Additional Material:
 - Additional materials for each group will be available via Aula Global.

7. Methodology

The methodology is based on the following principles:

- Student autonomy
- The professor's role as mentor
- Systematic, continuous work

Students are specifically expected to:

1. Read the materials and reflect on them before the sessions.
2. Draw up any questions to be posed to the professors before and/or during the class.
3. Attend all class sessions.
4. Answer the professors' questions during the theory and seminar sessions.
5. Hand in, before each session, all case study analyses and exercises for discussion during class.

The professors are expected to:

1. Present the main elements of each topic during class and answer students' questions.

2. Evaluate the degree of understanding and knowledge of the class material. This will be done, during each session, by asking students at random questions on the reading material.
3. Illustrate the empirical application of the theoretical material through the analysis of case studies and exercises.

8. Activity Planning

Week	<i>Class activity grouping / activity type</i>
Week 1	Session 1: Introduction Session 1: Topic 1
Week 2	Session 1: Topic 1 Session 2: Topic 1
Week 3	Session 1: Topic 2 Session 2: Topic 2
Week 4	Session 1: Topic 2 Session 2: Topic 3 Session 3: Seminar
Week 5	Session 1: Topic 3 Session 2: Topic 3 Session 3: Seminar
Week 6	Session 1: Topic 4 Session 2: Topic 4
Week 7	Session 1: Topic 4 Session 2: Topic 5 Session 3: Seminar
Week 8	Session 1: Topic 5 Session 2: Topic 5 Session 3: Seminar
Week 9	Session 1: Topic 6 Session 2: Topic 6 Session 3: Seminar
Week 10	Session 1: Topic 6 Session 2: Final issues and questions Session 3: Seminar