

Instructor. Bruno Meyerhof Salama, salama@berkeley.edu. **Lectures.** TU, TH, from 11:00 am - 12:29 pm at Physics Building 3. **Office Hours.** Tuesdays 9h30-10h30 am via Skype. To schedule a meeting, just add brunosalama18 over Skype and send a message. **GSIs.** Alex Huang, alexwong@berkeley.edu; and Rafael Grillo Avila, rafael_grilloavila@berkeley.edu.

Mask policy: Campus requires masks at all times indoors. Students who refuse to abide by it can be subject to campus disciplinary measures.

Summary. The course introduces economics as a tool to analyze the laws that underpin a market economy with an emphasis on property, contract and tort law. **Learning objective.** To teach students how to use microeconomics to reason about law. **Prerequisites.** No previous knowledge of law or economics is required.

Bibliography. The course is based on Robert Cooter and Thomas Ulen, *Law & Economics*, 6th ed., 2016 (“Cooter & Ulen”). The book is available for free download from campus. One class is based on a chapter from A. Mitchell Polinsky, *An Introduction to Law and Economics*, 3rd. ed., 1989 (“Polinsky ILE”). A PDF of this chapter will be made available online.

Homework. Consists in solving and timely turning in the assigned review quizzes. The deadline for submitting the quizzes is 11:00 am of the due date. 10% of the final grade is based on turning in the review quizzes. The quizzes will not be individually graded. If you turn in all of the quizzes, you get a full grade.

Grading. There are three exams, each corresponding to 30% of the final grade. 10% comes from doing the quizzes. **How to do well in the exams.** Exam questions are similar to those in the review quizzes. The key to doing well in the exams is to master the review quizzes.

Lectures. Each lecture has a PPT that summarizes the main concepts discussed during the lecture. In class, we’ll also discuss part of the review quizzes. The lecture PPTs and the solved review quizzes will be posted online.

Discussion sections. The main goal is to discuss the review quizzes. Attendance is not mandatory but highly recommended.

Sequence.

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| 1. Introduction | | Rev quiz 1 |
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A. Property

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| 2. Private coordination and efficiency | Cooter & Ulen 73-76 | Rev quiz 2 |
| 3. Incentives to produce | Cooter & Ulen 76-80 | Rev quiz 3 |
| 4. The Coase Theorem | Cooter&Ulen 81-6, 88-94 | Rev quiz 4 |
| 5. Efficient remedies | Cooter & Ulen 94-100 | Rev quiz 5 |
| 6. The tragedy of the commons | Cooter & Ulen 139-142 | Rev quiz 6 |
| 7. Intellectual property | Cooter & Ulen 116-126 | Rev quiz 7 |
| 8. Limitations to private property | Cooter & Ulen 174-181 | Rev quiz 8 |

FIRST EXAM. PROPERTY LAW.

B. Contracts

9. Cooperation and commitment	Cooter & Ulen 33-7, 283-6	Rev quiz 9
10. The economics of insurance	Cooter & Ulen 43-49	Rev quiz 10
11. The insurance function of contracts	Polinsky ILE 57-62	Rev quiz 11
12. Costly contracting	Cooter & Ulen 291-299	Rev quiz 12
13. Remedies	Cooter & Ulen 307-316	Rev quiz 13
14. Defenses	Cooter & Ulen 342-353	Rev quiz 14

SECOND EXAM. CONTRACT LAW + ONE QUESTION ON PROPERTY LAW.
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C. Torts

15. Efficient liability rules	Cooter & Ulen 199-204	Rev quiz 15
16. Negligence vs. strict liability	Cooter & Ulen 204-208	Rev quiz 16
17. Defenses	Cooter & Ulen 208-213	Rev quiz 17
18. Calculus of negligence	Cooter & Ulen 213-217	Rev quiz 18

THIRD EXAM. TORT LAW + ONE QUESTION ON PROPERTY LAW + ONE QUESTION ON CONTRACT LAW

How to do well in the course?

- Do the readings before each class.
- Do the review quizzes (homework).
- Ask questions and voice your concerns sooner rather than later.

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This syllabus may be adjusted slightly to accommodate topics of students' interest and other circumstances.