



BUSINESS SCHOOL

Course Outline 2017
ECON 303: LAW AND ECONOMICS (15 POINTS)

Semester 1 (1173)

Course Prescription

Economics analysis of law and organisation, and the application of economics to property rights, patents and natural resource management. Includes: contracts, transaction cost analysis, classical contracting, long-run contracts, enforcement, role of market forces, risk aversion, remedies for breach, economic theory for torts, negligence rules, strict liability, multiple torts, product liability. Special topics may include: crime, insider trading, and business law.

Programme and Course Advice

Prerequisites: ECON 201 (Microeconomics), and COMLAW 101 (Law in a business Environment) or LAW 101 (The Legal System).

Please note: As LAW 101 is no longer offered LAW 121G (Law and Society) will be accepted.

Goals of the Course

This course is designed to give students a solid understanding of, and experience with, the application of economic models to law and organization, and to legal aspects of public policy. Intermediate-level microeconomic models are used. The course provides a comprehensive coverage of the field of law and economics for students: (1) intending to undertake graduate-level research in economics; (2) completing a double major that includes law; (3) completing a major in policy fields; and (4) majoring in other fields, including arts and science.

Learning Outcomes

By the end of this course it is expected that the student will be able to apply an appropriate economic model to a range of topics relating to law and organization. In particular, the student should be able to:

1. frame up a problem suitable for economic analysis;
2. construct and apply a model to a range of topics in property, contracts and torts;
3. derive the efficiency attributes of alternative legal rules; and
4. demonstrate how economic models can be applied to real-world problems in law and economics.

Content Outline

The course will be taught according to the following topic groups:

Topic 1: Economic theory of property rights, Coase theorem, evolution of property rights, common property, innovation, institutions and economic growth, fugitive resources. (Approximately Weeks 2-4)

Topic 2: Economic theory of contract, risk aversion, transaction costs, role of market forces, long-run contracts, enforcement of contract, economics of remedies. (Approximately weeks 5-7)

Topic 3: Economic theory of torts, negligence rules, strict liability, New Zealand's ACC, and product liability. (Approximately Weeks 8-10)

Topic 4: A selection of topics that reflects contemporary issues. Topics can include economic efficiency of common law, organisational design, crime and optimal deterrence, environmental law, and contracting in the public sector. (Weeks 11-12)

Learning and Teaching

There are three one-hour lectures each week. A course book containing powerpoint lecture slides will be available from the Business and Economics Student Bookshop, level 0, Owen G. Glenn building. Course material will also be available on CANVAS.

Teaching Staff

Professor Basil Sharp

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Learning Resources

There is no recommended text. The following book is on Short Loan (2 hour) at the Kate Edger Information Commons (Level 1):

Cooter, Robert and Thomas Ulen, *Law and Economics*, 3rd edition, Reading, Mass: Addison-Wesley, 2000.

Course material on CANVAS will contain references for additional reading.

Assessment

Assessment will be based on *Coursework*: 3 Assignments @ 10% which counts for 30% of the total mark; and the *Final Examination* for the remaining 70%.

Plussage does not apply.

Each assignment will involve the application of economic models to topics covered by the lecture material and are to be handed in to the Assignment Centre, Level 0, Owen G. Glenn Building.

Learning Outcome	Assignments 1-3	Final Examination
1	X	X
2	X	X
3	X	X
4	X	X

Inclusive Learning

Students are urged to discuss privately any impairment-related requirements face-to-face and/or in written form with the course coordinator/lecturer and/or tutor.

Student Feedback

Students will be asked to complete evaluations (course, teaching, tutoring) at the end of the course.

Copyright Warning Notice

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Cheating and Plagiarism

The University of Auckland will not tolerate cheating, or assisting others to cheat, and views this as a serious academic offence. The work that a student submits for grading must be the student's own work, reflecting his or her learning.

Plagiarism is a form of cheating. In coursework assignments, plagiarism can occur if you use the work and ideas of others without explicit acknowledgment and referencing. Work can be plagiarised from many sources, including books, journal articles, the internet, and other students' assignments. A student's assessed work may be reviewed against electronic source material using computerised detection mechanisms. Upon reasonable request, students may be required to provide an electronic version of their work for computerised review.

The penalties for plagiarism can be severe, including losing some or all of the marks for the work. Major offences can be sent to the University's Discipline Committee, where further penalties can be imposed.

The document Guidelines: Conduct of Coursework provides further advice on how to avoid plagiarism. It can be found at: www.business.auckland.ac.nz/conductcoursework

Help with Academic Referencing

Acknowledgement of sources is an important aspect of academic writing. If you are in doubt about how to reference properly, ask someone – your lecturers, tutors and the Student Learning Centre (SLC) are good places to start. The University's Referen©ite website www.cite.auckland.ac.nz provides students with a one-stop online resource for academic referencing needs. Referen©ite explains the essentials of referencing and how to avoid plagiarism. It also includes practical tools to help students reference correctly, use references effectively in writing, and gives fast access to some major reference formats with examples.

Third Party Assistance with Coursework

While you are encouraged to improve your coursework writing skills and are permitted to seek assistance from third parties you are advised that there are important limits on the amount and type of assistance that can be given to you in completing your assignments, including group work. Third parties include fellow students, reading groups, friends, parents, SLC tutors, and paid-for professional editing services.

There is a set of guidelines at: www.business.auckland.ac.nz/thirdpartyassistance which clearly indicates the type of advice and assistance permitted. If you are seeking the assistance of any third party you are required to provide them with a copy of the guidelines prior to them helping or assisting you. You are also required to only seek and accept help using a printed version of your work, not an electronic version. You must keep a copy of this printed version and produce it if required.