Central European University
Department of Economics
Academic Year 2016/2017

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Topics in Law and Economics

General Information

Course level: This is an optional course for second year MA in Economics students and PhD students

Credits: 2 credits (4 ECTS credits)

Time: Winter Semester.

Prerequisites: Students should be familiar with basic concepts of microeconomics on the level of Microeconomic Theory I and II courses.

Brief Description

The main objective of the course is to expose students to selected topics at the current research frontier of Law and Economics. A secondary aim of the course is to illustrate how economics can be used to shed light on a variety of normative and positive questions about legal institutions and the law.

Learning Outcomes

Successful completion of the course enables students to

- Summarize and critically evaluate ideas on the topic covered in the course.
- Possess a thorough understanding of selected models employed in Law and Economics.
- Build on existing research to develop own research ideas.

Course Requirements and Assessment

Grading will be based on reviews of assigned papers (40%), student presentation of an assigned paper from the reading list (40%) and class participation (20%). The final exam will be of a take-home format. Detailed information on student presentations of assigned papers and the final exam will be given in class.
Detailed outline of the course and reading list

1. Courts, Regulation and Self-Regulation

How do courts, government regulators and self-regulatory organizations differ, and which should be assigned lawmaking and law-enforcement powers when?

(**)Djankov et al. (2003a),
(**)Glaeser and Shleifer (2003),
(**)Grajzl and Baniak (2009),
(*)Aghion et al. (2010),
(*)Djankov et al. (2003b),
(*)Shleifer (2010),
(*)Grajzl and Murrell (2007),
(*)Chong and Gradstein (2007),
(*)Guriev and Sonin (2008),
(*)Immordino and Pagano (2010)

2. Elements of economic analysis of tort law

(a) Torts and reputation.

How to shape tort law with respect to product liability when reputation of the industry matters?

(**)Baniak and Grajzl (2013),
(**)Baniak et al. (2014),
(**)Shavell (2007),
(*) Pouliot and Sumner (2010),
(*)Polinsky and Shavell (2010),
(*)Rouvière and Soubeyran (2011),
(*)Polinsky and Rogerson (1983),

(b) Torts, heterogeneity and asymmetric information.

Torts versus regulation in the presence of heterogenous consumers and asymmetric information.

(**)Miceli and Segerson (2013),
(*)Baniak and Grajzl (2016a),
(*)Sandroni and Squintani (2013),
(*)Hay and Spier (2005)

(c) The Economics of activity levels in Tort Liability and Regulation

(**)Baniak and Grajzl (2016b)
(**)Garoupa and Ulen (2013),
(**)Nussim and Tabbach (2009),
3. Behavioral Law and Economics

How findings from Behavioral Economics change our understanding of Law and Economics?

(**) Jolls (2010),
(**) McAdams and Ulen (2008)
(**) Robinson and Darley (2004),
(*) Zamir and Teichman (2014),
(*) Guttel and Harel (2008),
(*) Kamin and Rachlinski (1996),
(*) Guthrie et al. (2009),
(*) Rachlinski et al. (2011),
(*) Guthrie et al. (2007),
(*) Lee and McCrary (2009),

4. Student Presentations of Assigned Papers.

Student presentations of assigned papers – a subset of readings marked by (*) in the week-by-week reading list above.

References


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