

## Course Syllabus

### EE403 Law and Economics

**Semester 1/2021 (August 9 – November 27,2021)**

<b>Number of credits</b>	3 credits (3-0-6)
<b>Lecture Time:</b>	Wednesday and Friday, 14.00 – 15.30 hours
<b>Lecture Venue:</b>	MS-TEAM
<b>Instructor:</b>	Asst. Prof. Dr. Anin Aroonruengsawat  E-mail: anin@econ.tu.ac.th

### Course Description

Thailand's Legal System. The relationship between law, economy, and politics. Applying economic theory to analyze reasons for the existence of property rights, civil, and commercial law. The effects of law on economic behavior and on economic outcomes.

**Prerequisites:** a) EE210 or

b) EE211 and EE212 or

c) EE213 and EE214

### Evaluation

Mid-term examination 40 points

Final examination 60 points

Mid-term exam date: Friday 1 October 2021

12:00 – 14:00 hrs.

Final exam date: Wednesday 1 December 2021

9:00 - 11:30 hrs.

## **Textbook**

1. (TM) Thomas J. Miceli, (2011). *The Economic Approach to Law. 2nd Edition*. Stanford Economics and Finance
2. (RC)Cooter, R., & Ulen, T. (2008). *Law & economics*. Pearson/Addison Wesley

## **Topics**

### **Topic 1. An Economic Model of Tort Law [TM : Chapter 2, RC : Chapter 5]**

- What Is a Tort?
- An Economic Model of Accidents: The Model of Precaution
  - The Unilateral Care Model
  - Bilateral Care Model
  - The Hand Rule
  - The Reasonable-Person Standard
  - Contributory Negligence
- Further Topics
  - Sequential Care Accidents
  - Comparative Negligence
  - Causation and Liability
  - Punitive Damages

### **Topic 2. Applying the Economic Model of Tort Law [TM : Chapter 3, RC : Chapter 6]**

- Products Liability
  - An Economic Model of Products Liability
- Workplace Accidents
- Liability for Environmental Damages
  - Characteristics of Environmental Accidents
- Medical Malpractice

### **Topic 3. The Economics of Contract Law I: [TM : Chapter 4, RC : Chapter 7]**

- The Elements of a Valid Contract
  - Contracts and Efficient Exchange
  - The Elements of a Valid Contract
  - Reasons for Invalidating Contracts

### **Topic 4. The Economics of Contract Law II: Remedies for Breach [TM : Chapter 5, RC : Chapter 8]**

- The Efficient Breach Model
  - Money Damages and Efficient Breach
  - Incentives for Efficient Reliance
  - Mitigation of Damages

- Impossibility and Related Excuses
- Specific Performance
  - Transaction Costs
  - Subjective Value and Efficient Breach
  - The Value of Consent
- Self-Enforcement of Contracts
  - Liquidated Damage Clauses
  - Product Warranties
  - Long-Term Contracts

**Topic 5. The Economics of Property Law: Fundamentals [TM : Chapter 6, RC : Chapter 4]**

- The Nature and Function of Property Right
  - The Definition of Property Rights
  - Property Rights and Incentives
  - The Emergence of Property Rights
  - Enforcement of Property Rights
- Fundamentals of the Economics of Property Law
  - The Coase Theorem
  - Enforcement of Property Rights
  - Trespass and Nuisance
  - The General Transaction Structure
- Limited and Divided Ownership
  - Leasing
  - Private Versus Group Ownership
  - Time-Limited Property Rights: Intellectual Property
    - Patents
    - Copyrights

**Topic 6. The Economics of Dispute Resolution [TM : Chapter 8, RC : Chapter 9]**

- The Litigation Process
- Why Do Trials Occur?
  - The Differing Perceptions, or Optimism Model
  - The Asymmetric Information Model
  - The Social Versus Private Incentive to Sue
- Procedural Rules and Litigation Costs
  - The English Versus American Rule
  - The English Rule and Settlement
  - The English Rule and the Incentive to File Suit
- Rule 68
- Contingent Fees
  - The Benefits of Contingent Fees
  - Contingent Fees and Settlement
  - Do Contingent Fees Promote Frivolous Suits?
- Frivolous Suits

**Topic 7. The Economics of Crime [TM : Chapter 9, RC : Chapter 11]**

- Distinguishing Crimes and Torts
- The Economic Model of Crime
  - The Offender's Decision to Commit a Crime and the Supply of Offenses
  - Optimal Punishment
  - The Optimal Fine
  - Gain Versus Harm-Based Fines
  - Fines and Imprisonment
  - Prison, Probation, and Parole
  - The Probability of Apprehension Is Variable
  - Repeat Offenders
  - Empirical Evidence on the Economic Model of Crime
  - The Death Penalty
  - Economics of the Death Penalty
- Plea Bargaining
  - Economic Models of Plea Bargaining
  - Plea Bargaining and Deterrence

## ACADEMIC CALENDAR & HOLIDAY SEMESTER 1/2021

Semester 1/2021 (August 9 - November 27, 2021)	
Classes Begin	August 9, 2021
Add-drop period	August 6 - 15, 2021
Tuition Fee Installment Plan For ID.61-63 only <i>(9 AM - 10.30 PM)</i>	#Round 1 (July 16 – 18, 2021) #Round 2 (August 30 – September 3, 2021) #Round 3 (September 20 – 22, 2021)
<i>H.M. Queen Sirikit The Queen Mother's Birthday*</i>	<i>August 12, 2021</i>
<i>Prince Mahidol Day*</i>	<i>September 24, 2021</i>
Mid-term Examination Period	September 27 - October 3, 2021
Withdrawal period with "W" on record	October 11 - November 15, 2021
<i>H.M. King Bhumibol Adulyadej The Great Memorial Day*</i>	<i>October 13, 2021</i>
<i>Substitution for King Chulalongkorn's Day*</i>	<i>October 22, 2021</i>
<i>King Chulalongkorn's Day*</i>	<i>October 23, 2021</i>
Last day of class for Semester 1/2021	November 27, 2021
Final exam period	November 29-30, December 1-3, 7-9, 11-17, 2021
<i>H.M. King Bhumibol Adulyadej The Great's Birthday*</i>	<i>December 5, 2021</i>
<i>Substitution for H.M. King Bhumibol Adulyadej The Great's Birthday*</i>	<i>December 6, 2021</i>
<i>Constitution Day*</i>	<i>December 10, 2021</i>

Remark \* Holiday, No classes during this period