

**DEPARTMENT OF ECONOMICS
DELHI SCHOOL OF ECONOMICS
UNIVERSITY OF DELHI**

Minutes of Meeting

Subject:	B.A.(Hons.) Economics
Course Type:	DSE Elective
Course Code:	ECON041
Course Title:	Law and Economics
Course Abbreviation:	L&E
Credits:	4
Duration (per week):	3 (Lectures) + 1(Tutorial)
Semester:	V / VII
Date of Meeting:	14.05.2024 and May 27, 2024

Chair: Prof. Ram Singh and Sugata Bag

Attended by:

<u>S. No. Name</u>	<u>College</u>
1. Niti Bhutani	Hindu College
2. Malabika Pal	Miranda House
3. Leema Mohan	St.Stephen's College
4. Akanksha Mann	Lady Shri Ram College
5. Ritu Khanna	Daulat Ram College
6. Uma	Laksmi Bai College

Course Description:

Law and Economics is an interdisciplinary course, devoted to understanding laws and legal institutions using the tools of economic theory. This is essentially an economic analysis of the laws. Topics include an introduction to legal institutions and legal analysis, application of economic concepts to the law of property, contracts, torts and criminal law and anti-trust law.

What is a tort, and how do contracts, torts, and properties law differ? How do changes in the law affect the price of vaccines? What is the purpose of punitive damages and how are they set? Is the Common Law economically efficient? How does the Coase theorem apply in the real world? How do judges make decisions, and what does economics tell us about judicial bias?

Course objectives and learning outcomes: This course is designed to gain familiarity with basic facts and application of economic principles to analyse a wide range of legal issues, and better understanding the economic consequences of laws and regulations.

Note: Arun Kumar and Nupur Kataria joined the online meetings of the sub-committee comprising Niti Bhutani, Leema Mohan, Akanksha Mann and Malabika Pal on May 17, May 20, and May 29, 2024.

Readings

1. Cooter, Robert and Thomas Ulen, *Law and Economics, Sixth Edition*, Addison Wesley, ISBN 9780132540650. Free here [Law and Economics, 6th edition \(jku.at\)](http://www.jku.at)
2. Miceli, Thomas J. 2017 (2020 Indian edition): “The Economic Approach to Law” Third edition, MPP House.
3. Pal, Malabika (2020) *Economic Analysis of Tort Law- The Negligence Determination*. Routledge.
4. Singh, Ram (2021) Land for Development: Market Versus Non-Market Mechanisms in S.Mani and C.G. Iyer (eds.) *India’s Economy and Society*, Springer, pp.187-204.
5. Bhattacharjea, Aditya (2010). "Of Omissions and Commissions: India's Competition Laws." *Economic and Political Weekly*, 45(35): 31- 37.

Suggested Readings for Teachers

1. Bag, Sugata, *Economic Analysis of Contract Law: Incomplete Contracts and Asymmetric Information*. Springer/Palgrave, 2018.
2. Basu, Kaushik, *The Republic of Beliefs: A New Approach to Law and Economics*, Princeton University Press, 2018.
3. Marciano, Alain and Giovanni B. Ramello (ed): *Encyclopedia of Law and Economics*, Springer.
4. Schäfer, Hans-Bernd and Ram Singh (2018): “Takings of Land by Self-Interested Governments: Economic Analysis of Eminent Domain” *Journal of Law and Economics*, 61, 427-459
5. Competition Commission of India, *Competition Acts, 2002 and 2023*, Available on <https://www.cci.gov.in/legal-framework/act>
6. Viscusi, Harrington, and Sappington (2018): “Economics of Regulation and Antitrust”, The MIT Press, Fifth Edition.

Topic-wise Reading List

- 1. Concepts of Law and uses of foundations of Economics**
Tools for Law and Economics: Efficiency criteria in Welfare Economics; Coase theorem; Prisoners' Dilemma
Miceli: Ch. 1
Cooter & Ulen: Chapter 2 (Sections VII & IX)
- 2. Economics of Tort (Accident) Law/ Liability Rules**
Liability for accidents and harms; product liability; efficiency of liability rules; efficiency-compensation trade-off.
Miceli: Ch.2(pp.15-39); Ch.3 (pp.58-73)
Pal: Ch.1 (pp.14-18); Ch.3 (pp.104-116)
- 3. Economics of Property Law**
Property rights and their role in resource allocation; Coase theorem; Legal remedies for breach of property rights and their economic effects, Eminent Domain (Market and non-market mechanism for land transfer)
Miceli: Ch.6. (pp.146-149); Ch.7 (pp.179-200, pp.205-213)
Singh (2021): Full article
(* Cooter & Ulen: Ch. 5 (section IV up to Holdouts)
- 4. Intellectual Property Rights (IPRs)**
Patents, Trade Secrets, Copyright and Trademarks.
(* Miceli: Ch.6 (pp.169-176)
- 5. Economics of Contract Law**
Legal contract; Role of Contracts for functioning of markets; Efficient contracts; Damage measures and their efficiency properties.
Cooter & Ulen : Ch. 8 (Sections I, II, & IV)
Miceli: Ch. 5 (pp. 111-132)
- 6. Economics of Criminal Law**
Economics of Crime and Law Enforcement; Crime Vs Tort
(* Miceli: Ch.8 (pp. 238-256)
- 7. Anti-trust laws, Competition Policy**
(* Miceli: Ch.10 (pp. 335-346)
(* Bhattacharjea (2010): Full article
- 8. Legal Process**
Litigation – its causes and consequences; Frivolous Suits
Miceli: Ch.9 (pp.278-287, pp.297-301)

Question pattern in the End Semester Examination : As per University Guidelines

Internal Assessment: One Test and One Assignment.

Starred readings are not to be tested in the final examination. They are, however, to be used for the purpose of continuous assessment and assignments.