



### 1. General Information

Course Subject	ECON
Course Number	2233
Course Title	The Economics of Law
Academic Years	2024-2025
Grading Method	Letter

### 2. Instructors

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### 4. Course Description

Course Description	<p>Economic analysis applied to law. Topics may include: efficiency of law, rules of liability, tort rights and remedies, criminal sanction, legislative processes as resource allocating and income distributing mechanisms.</p> <p>Additional information:</p> <p>When an employee causes harm to a customer, will he be liable for the harm or his employer not? Or how the liability is shared between the employee and his employer? What is the optimal duration of patent protection? When a promise is legally enforceable? What are the most efficient remedies to breach of contract? Does the owner of a house also own underground resource beneath the house? Can an occupant claim ownership to the flat that he has used when the owner has disappeared for a long time? Does one have the ownership to a stolen item he bought from a thief? When a person is not liable to the harm he has done to another person?</p> <p>These are just a few fascinating questions in law. Economists have long recognized the importance of law in shaping economic activity. Legal rules and institutions create incentives and constraints that affect the behavior of individuals and organizations, and can have significant effects on economic outcomes such as innovation, investment, and trade. Examples of such legal institutions include property rights and contract law to regulation and antitrust policy.</p> <p>Through studying the effects of legal institutions on human behavior, this course focuses on using economic analysis to help understand legal institutions. By applying economic concepts and models to legal issues, we can gain insights into the efficiency and effectiveness of legal rules and institutions, and identify opportunities for reform and improvement.</p>
Prerequisites	ECON1210: Introductory Microeconomics
Free Elective	Yes

## 5. Course Objectives

1. to introduce some core concepts in law
2. to provide an economic analysis of such concepts
3. to develop a critical mind towards both economic theory and real world problem related to law

## 6. Faculty Learning Goals

Goal 1: Acquisition and internalization of knowledge of the programme discipline
Goal 2: Application and integration of knowledge
Goal 3: Inculcating professionalism
Goal 4: Developing global outlook
Goal 5: Mastering communication skills
Goal 6: Cultivating leadership

## 7. Course Learning Outcomes

Course Teaching and Learning Activities	Aligned Faculty Learning Goals					
	1	2	3	4	5	6
CLO1. Understand basic concepts of law	✓	✓		✓		
CLO2. Understand and apply modern economic analysis	✓	✓	✓	✓		✓
CLO3. Understand the role law plays in affecting efficiency	✓	✓	✓	✓		
CLO4. Be conversant with important current issues about law and economics	✓	✓	✓	✓	✓	✓

## 8. Course Teaching and Learning Activities

Course Teaching and Learning Activities #	Expected Study Hours	Study Load (% of study)
T&L1. Lectures	33	21.4
T&L2. Homework	20	13
T&L3. Tutorial	11	7.1
T&L4. Self Study	60	39
T&L5. term paper	30	19.5
	Total: 154	Total: 100

## 9. Assessment Methods

Assessment Methods	Description	Weight %	Aligned Course Learning Outcomes
A1. Problem Sets	Written submissions	10%	1,2,3,4

## 9. Assessment Methods

A2. Midterm exam	Closed-note closed-book	22%	1,2,3,4
A3. Term Paper	Form a group to work on a topic related to our course.	20%	1,2,3,4
A4. Project (Group)—Presentation	present on the term paper	8%	1,2,3,4
A5. Final Exam	closed-note closed-book	40%	1,2,3,4

## Assessment Rubrics

A1. Problem Sets	same as course grade descriptors
A+,A,A-	
B+,B,B-	
C+,C,C-	
D+,D	
F	
A2. Midterm exam	same as course grade descriptors
A+,A,A-	
B+,B,B-	
C+,C,C-	
D+,D	
F	
A3. Term Paper	to be announced
A+,A,A-	
B+,B,B-	
C+,C,C-	
D+,D	
F	
A4. Project (Group)—Presentation	to be announced
A+,A,A-	
B+,B,B-	
C+,C,C-	
D+,D	
F	

## Assessment Rubrics

A5. Final Exam	same as course grade descriptors
A+,A,A-	
B+,B,B-	
C+,C,C-	
D+,D	
F	

## 10. Course Grade Descriptors

A+,A,A-	A-, A, A+: >80 All or almost all of the questions are clearly and accurately responded. All or almost all of the responses are well organized, clear, fluent, and with sufficient elaboration.
B+,B,B-	B-, B, B+: 68-79.99 Most of the questions are clearly and accurately responded. Most of the responses are well organized, clear, fluent, and with sufficient elaboration.
C+,C,C-	C-, C, C+: 56-67.99 Some of the questions are clearly and accurately responded. Some of the responses are well organized, clear, fluent, and with sufficient elaboration.
D+,D	D, D+: 44-55.99 Few of the questions are clearly and accurately responded. Few of the responses are well organized, clear, fluent, and with sufficient elaboration.
F	F: <44 Very few of the questions are clearly and accurately responded. Very few of the responses are well organized, clear, fluent, and with sufficient elaboration

## 11. Course Content and Tentative Teaching Schedule

Topic/ Session	Content	Readings
1	Introduction, brief review of microeconomic theory	Chapters 1, 2
2	civil law and US court systems	chapter 3
3	Property	chapter 4
4	Property	chapter 5
5	Tort	chapter 6
6	Tort	chapter 7
7	Contract	chapter 8
8	Contract	chapter 9
9	Legal Process	chapters 10, 11
10	Crime and Punishment	chapter 12
11	Crime and Punishment	chapter 13

## 12. Required/Recommended Readings & Online Materials

Textbook	<p><b>Required:</b></p> <p>Cooter and Ulen: Law and Economics , 6th edition (thanks to the generosity of the authors, a pdf file of the whole text is available for downloading for free) (<a href="https://lawcat.berkeley.edu/record/1127400">https://lawcat.berkeley.edu/record/1127400</a>)</p> <p><b>References</b></p> <p>Miceli, Thomas J. The Economic Approach to Law, 3rd Edition, Stanford University</p> <p>Varian, Hal Intermediate Microeconomics, Norton. Any recent edition</p> <p>We will follow Cooter and Ulen closely. Other recent materials will be assigned. The book by Miceli is a useful reference. Varian is a good reference for the microeconomics used.</p>
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## 13. Means / Processes for Student feedback on Course

✓	Conducting mid-term survey in addition to SETL around the end of the semester
✓	Online response via Moodle site
	Others

## 14. Course Policy

The University Regulations on academic dishonesty will be strictly enforced! Please check the University Statement on plagiarism on the web: <http://www.hku.hk/plagiarism/>

Academic dishonesty is behaviour in which a deliberately fraudulent misrepresentation is employed in an attempt to gain undeserved intellectual credit, either for oneself or for another. It includes, but is not necessarily limited to, plagiarism and unauthorized collaboration on out-of-class projects.

Where a candidate for a degree or other award uses the work of another person or persons without due acknowledgement:

1. The relevant Board of Examiners may impose a penalty in relation to the seriousness of the offence;
2. The relevant Board of Examiners may report the candidate to the Senate, where there is prima facie evidence of an intention to deceive and where sanctions beyond those in (1) might be invoked.

## 15. Additional Course Information

### Exams

There will be one mid-term exam and one final exam. The mid-term exam is tentatively scheduled for October 30 (Monday) during lecture time. The final exam will be arranged by the examination section of the university. All exams will be closed-note and closed-book. You may bring a hand-held calculator along with you while taking an exam. There is no made up exam for the mid-term exam. Those absent in the mid-term exam with approved reasons will have the share of the exam moved to the final exam. Any violations of academic integrity in a test or exam will result in a failing grade or a more severe punishment.

### Problem sets

There will be around three or four problem sets and you normally have one week to complete. They may differ in difficulty and length. While you are encouraged to discuss the problems with your fellow classmates, you have to write up your answer scripts on your own. Problem sets that are handed in late will not be accepted. The context and degree of difficulty of the problem sets may differ from what is taught in class. The exams may differ in the format and degree of difficulty of the problem sets.

### Mini term paper

You are required to write a paper on a topic of your choosing that is related to our course. The paper, exclusive of figures and tables, should be of 8 to 12 A4 pages. You can form a group with another classmate and hand in a joint paper. Make sure the paper has not been submitted or being submitted to fulfil the requirement of any other courses at University of Hong Kong or at any other institution. Due time of the paper is 5pm, December 7, 2023 (Thur). The assessment scheme will be announced in due course.

All additional course materials can be found in Moodle through HKU portal