

Discipline Specific Elective 11 (DSE-11): Law and Economics

Semester	Course title & Code	Credits	Duration (per week)			Eligibility Criteria	Prerequisite
			Lecture	Tutorial	Practical/ Practice		
V/VII	Law and Economics – ECON041	4	3	1	0	Class 12th Pass	Intermediate Microeconomics II: Market, Government and Welfare - ECON010

Learning Objectives

The Learning Objectives of this course are as follows:

- 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.

Learning outcomes

The Learning Outcomes of this course are as follows:

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.

Syllabus

UNIT I: Concepts of Law and uses of foundations of Economics (6 hours)

Tools for Law and Economics: Efficiency criteria in Welfare Economics; Coase theorem; Prisoners' Dilemma

UNIT II: Economics of Tort (Accident) Law/ Liability Rules (6 hours)

Liability for accidents and harms; product liability; efficiency of liability rules; efficiency-compensation trade-off.

UNIT III: Economics of Property Law (6 hours)

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)

UNIT IV: Intellectual Property Rights (IPRs) (6 hours)

Patents, Copyright and Trademarks. Cost and benefits of private IPRs; Individual rights vs common good

UNIT V: Economics of Contract Law (6 hours)

Legal contract; Role of Contracts for functioning of markets; Incomplete contracts; Efficient contracts; Damages measures and their efficiency properties.

UNIT VI: Economics of Criminal Law (6 hours)

Economics of Crime and Law Enforcement; Crime Vs Tort; Repeat Offenders; Death Penalty

UNIT VII: Anti-trust laws, Competition Policy (3 hours)

UNIT VIII: Legal Process (6 hours)

Litigation – its causes and consequences; Benefits of legal certainty

Recommended readings

- Miceli, Thomas J. , "The Economic Approach to Law" 3rd Edition Stanford University Press, 2017 (Indian edition, MPP House, 2020)
- Cooter, Robert and Thomas Ulen, Law and Economics, Sixth Edition, Addison Wesley 2013, ISBN 9780132540650. Free here Law and Economics, 6th edition (jku.at)
- Pal, Malabika, Economic Analysis of Tort Law - The Negligence Determination. Routledge, 2020.
- Bag, Sugata, Economic Analysis of Contract Law: Incomplete Contracts and Asymmetric Information. Springer/Palgrave, 2018.
- Basu, Kaushik, The Republic of Beliefs: A New Approach to Law and Economics, Princeton University Press, 2018
- 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.
- Bhattacharjea, Aditya. "Competition policy: India and the WTO." Economic and Political Weekly (2001): 4710-4713.
- Competition Commission of India, Competition Act of India 2002, [https : //www.cci.gov.in/sites/](https://www.cci.gov.in/sites/)

Note: Examination scheme and mode shall be as prescribed by the Examination Branch, University of Delhi, from time to time.