

University of Missouri
Economics 3367W – Law and Economics
Spring Semester 2025

Economics 3367-01W meets Tuesdays and Thursdays 2:00 PM - 3:15P CT online via Zoom. This is a live synchronous class – students are expected to participate in the live scheduled Zoom classes with their videos on. Log-ins with video off do not count towards class participation.

Instructor: Robert Hazel, rahvzr@missouri.edu; Cell: 571-723-3515

Office hours: I will stay online at the end of each class. Also, please don't hesitate to request a Zoom meeting.

Course description: Economic analysis of the law and introduction to legal reasoning, with an emphasis on U.S. law. How do different laws affect outcomes and behavior? Why do property, contract, and tort law treat damages differently? Why do punitive damage awards vary so widely? What is the role of presumptions and evidentiary burdens? What is the economic theory of criminal law?

Credit Hours: 3

Course objectives and learning outcomes: Gain an understanding of U.S. law using economics as an organizing principle, and better understand the economic consequences of laws and regulations.

Prerequisites: (ECONOM 1014 or ABM 1041) and (STAT 1200 or STAT 2200 or STAT 2500 or ECONOM 3271) or equivalent.

Required Texts: Ward Farnsworth, *The Legal Analyst, A Toolkit for Thinking About the Law*, University of Chicago Press 2007. (Average chapter length: 10 pages.)

Cooter and Ulen (2016), *Law and Economics; 6th Edition*. The text is available for free download at <https://lawcat.berkeley.edu/record/1127400?ln=en> (Average chapter length: 40 pages.)

Farnsworth is very readable; Cooter is a more typical undergraduate text.

Canvas: This course uses Canvas and students should check the site regularly.

Grading:

Two exams:	40% (1 st exam – 20%, 2 nd exam – 20%)
Class participation:	10%
Two five-page reaction papers:	50% (1 st paper – 25%, 2 nd paper – 25%)

In determining your raw score for the course, do not rely on the Grade Total column in Canvas because it may not weight assignments correctly. Take the raw scores from Canvas and then weight them based on the syllabus weightings.

Due Dates:

Draft Paper 1 is due:	Tuesday, Mar 4
Exam 1:	Tuesday, Mar 11
Final Paper 1 is due:	Thursday, Mar 20
Draft Paper 2 is due:	Tuesday, Apr 22
Exam 2:	Thursday, May 8
Final Paper 1 is due:	Friday, May 9

Exams will be held during the scheduled class time and taken on Canvas using the university's online proctoring system. Exams are closed book, except that everyone is allowed to use a cheat sheet consisting of a single 8-1/2 x 11 sheet on which you can write or print anything you want on both sides of the sheet. An unexcused absence from an exam will receive a score of 0 on that exam. In limited cases, with sufficient justification, we will try to accommodate requests to reschedule exams.

Class participation will be based on video-on participation during Zoom class sessions. Students are expected to participate with their videos on and should expect to be called on. All students start with 10 participation points and get three "free" class absences. After that, one point is deducted for each unexcused absence. **Log-ins with video off do not count towards class participation.**

Final course grades will be assigned to undergraduates as follows:

A+ = 98-100+	B- = 80-82	D = 63-66
A = 93-97	C+ = 77-79	D- = 60-62
A- = 90-92	C = 73-76	F = 59 and lower
B+ = 87-89	C- = 70-72	
B = 83-86	D+ = 67-69	

The graduate school grading scheme does not include D grades. Note that a 97.9 is not a 98. The minimum grade average for an A+ is 98.0. Grade averages are not rounded.

I reserve the right to raise the grade of students who make a substantial contribution to class discussions.

Papers: Students will write and revise two "reaction" papers – submitting draft and final versions of each. With permission from the instructor, students who wish to delve more deeply into a single topic may combine their two reaction papers into one longer paper.

- A reaction paper is an economic analysis of a case, law, news story, policy debate, or academic article. Most reaction papers ask about the incentives created by specific laws or legal decisions. You should provide your reaction to the law or legal decision – a summary is not sufficient. The goal is to use the principles learned in this course to produce an insightful analysis.
- The title or subtitle of your papers will be "An Economic Analysis of [the topic you choose]."
- I am looking for a short explanation of the subject, including a summary of different perspectives if applicable, and then your own analysis and opinion. You should write your reaction papers with the thought that I am the audience, so you do not need to define basic terms and concepts.

- **You must obtain prior approval of your topic by emailing me.** I will respond promptly and usually approve most proposed topics. In picking a topic, you should ask whether you could have written the paper without taking this class – if so, it is probably not a good topic. Examples of topics that will not be approved are general macroeconomics topics, including the effect of government spending and taxes, and the impact of price controls and subsidies.
- I will provide comments on your draft paper, and you will have time to consider those comments in making revisions before submitting your final paper.
- Reaction papers should be at least 1,500 words (approximately 5 pages, excluding any tables, graphs, or references). Papers should be double spaced in 12-point font with one-inch margins all around. Papers will be submitted electronically via Canvas. You should use standard social science conventions for citations and references. For example, use (last name, year) in the text and include the full reference in a list at the end of your paper.
- Reaction papers should be well-structured, well-written, and free of spelling and grammatical errors. You should rewrite and proofread to make your writing better. Poorly written papers will receive a low grade. You are encouraged to have your paper reviewed outside of class by a peer or by a Writing Intensive Tutor at the Writing Center.
- Draft reaction papers need not be the full length of the final paper but must reflect substantial effort and be at least 4 pages. Drafts that do not meet this requirement will result in a loss of up to 5 points from the grade for the final paper (out of the maximum of 25 points).
- Late drafts – Papers are graded on 25-point scale. Late drafts – 1 point/day deduction. Late final papers – 3 points/day deduction. For Paper 2, final papers that are more than two days late will receive no credit.
- Primary paper grading criteria: (1) quality of economic analysis, and (2) quality of writing. In addition, students are encouraged to pick challenging and creative topics – paper grades will reflect the degree of challenge of the topic. For example, a well-written paper on the costs and benefits of marijuana legalization, a topic already heavily explored, is unlikely to receive as high a grade as an equally well-written paper that, e.g., explores the application of copyright law to AI-written novels. Students who write about specific judicial opinions are expected to have read the original opinion, and not just rely on newspaper accounts. Similarly, students who write about specific laws are expected to have read the relevant part of the law.

Monitoring of grades on Canvas: Students are responsible for monitoring their grades on Canvas and for promptly reporting any discrepancies between the grade they think they received on an assignment and the grade reported on Canvas. Complaints received more than two weeks after the relevant grade is posted will not be investigated, nor will the relevant grade be changed.

Questions from students are welcome before, during and after class.

Econ 3267 – Spring 2025 Class Schedule

Week beginning	Topics	Reading	Paper/Exam
Week 1 1/20	Introduction to law and economics Efficiency as a social goal Ex post, ex ante Least cost avoider	WF 1-3, CU 1-2	
Week 2 1/27	Introduction to law and economics Coase theorem Rules and standards Legal institutions Common law versus civil law How law evolves	WF 4-8, 17, CU 3	
Week 3 2/3	Economics of property law Property rules and liability rules Gifts but not sales Public goods	WF 11, 16, 20, CU 4	
Week 4 2/10	Economics of property law Intellectual property Patents, trademarks, copyrights Fair use and tolerated use	CU pp. 116-25	
Week 5 2/17	Intellectual property	Canvas	
Week 6 2/24	Economics of contract law Enforceability and defenses Damage theories Efficient breach	CU 8	
Week 7 3/3	Economics of contract law		Reaction Paper #1 Draft Due Tues 3/4
Week 8 3/10	1st EXAM DURING CLASS ON TUES Economics of tort law Product liability: negligence versus strict liability Vaccines, mass torts	CU 6, pp 261- 74	1st Exam on Tues 3/11 Professor comments provided by Tues 3/11
Week 9 3/17	Tort law – assessing damages Regulatory VSL Punitive damages	WF 31, CU pp. 257-61	Reaction Paper #1 Final due Thurs 3/20
Week 10 3/24	SPRING BREAK?	CU 12	
Week 11 3/31	Economics of criminal law Crimes versus torts Do criminals respond to incentives?		

Week 12 4/7	Economics of criminal law	CU 13	
Week 13 4/14	Settlement, mediation, arbitration Legal fees – Contingent, American/English rule Licensing requirements	WF 27, 28, 30	
Week 14 4/21	Probability errors Evidence Burdens and standards of review	CU 10	Reaction Paper #2 Draft due Tues 4/22
Week 15 4/28	Behavioral law and economics	WF 22-26	Professor comments due Tues 4/29
Week 16 5/5	Review on Tuesday 2nd EXAM DURING CLASS ON THURSDAY		2nd Exam on Thurs 5/8 Reaction Paper #2 Final Due Fri 5/9

ADMINISTRATIVE MATTERS

ACADEMIC INTEGRITY

Academic integrity is fundamental to the activities and principles of a university. All members of the academic community must be confident that each person's work has been responsibly and honorably acquired, developed, and presented. Any effort to gain an advantage not given to all students is dishonest whether or not the effort is successful. The academic community regards breaches of the academic integrity rules as extremely serious matters. Sanctions for such a breach may include academic sanctions from the instructor, including failing the course for any violation, to disciplinary sanctions ranging from probation to expulsion. When in doubt about plagiarism, paraphrasing, quoting, collaboration, or any other form of cheating, consult the course instructor or the [Office of Academic Integrity](#).

Students are expected to adhere to this honor pledge on all graded work whether or not they are explicitly asked in advance to do so: "I strive to uphold the University values of respect, responsibility, discovery, and excellence. On my honor, I pledge that I have neither given nor received unauthorized assistance on this work."

ACADEMIC INQUIRY, COURSE DISCUSSION, AND PRIVACY

When students record something that happens in a course (a lecture, class discussions, meetings, etc.) it has an impact on the rights of the people captured in that recording. For example, the instructor and the University may have rights to the intellectual property contained in that recording. At the same time, another student who may have been recorded has the right to privacy. In order to protect these rights, MU employs a policy (called "[Executive Order No. 38](#)") to govern both situations you may encounter while taking a course – when an instructor allows recordings and when they do not.

In this class, students may make audio or video recordings of course activity unless specifically prohibited by the faculty member. However, the redistribution of audio or video recordings of statements or comments from the course to individuals who are not students in the course is prohibited without the express permission of the faculty member and of any students who are recorded.

Students who violate this policy are subject to discipline in accordance with provisions of [section 200.020](#) of the Collected Rules and Regulations of the University of Missouri pertaining to student conduct matters.

FERPA

The [Family Educational Rights and Privacy Act](#) (FERPA) of 1974 is a federal law designed to protect the privacy of educational records; to establish the rights of students to inspect and review their education records; and to provide guidelines for the correction of inaccurate and misleading data through informal and formal hearings. The law applies to any individual who is or has been in attendance at an institution *and* regarding whom the institution maintains educational records. Once students have matriculated to the University of Missouri, i.e. enrolled in course work, FERPA rights transfer to the student, regardless of the student's age.

Students can enable certain individuals to have access to their education records by signing a [FERPA](#)

[waiver](#). The consent must specify records to be disclosed, state the purpose of the disclosure and identify the party or class of parties to whom the disclosure must be made.

INTELLECTUAL PLURALISM

The University community welcomes intellectual diversity and respects student rights. Students who have questions or concerns regarding the atmosphere in this class (including respect for diverse opinions) may contact the departmental chair or divisional director, the [Office of Academic Integrity](#), or the [MU Equity Office](#).

MENTAL HEALTH

The University of Missouri is committed to supporting student well-being through an integrated network of care, with a wide range of services to help students succeed. The MU Counseling Center offers professional mental health care and can help you find the best approach to treatment based on your needs. Call to make an appointment at 573-882-6601. Any student in crisis may call or go to the MU Counseling Center between 8:00-5:00 M-F. After hours phone support is available at 573-882-6601.

Visit our website at <https://wellbeing.missouri.edu/> to take an online mental health screening, find out about workshops and resources that can help you thrive, or learn how to support a friend.

NETIQUETTE

Your instructor and fellow students wish to foster a safe online learning environment. All opinions and experiences, no matter how different or controversial they may be perceived, must be respected in the tolerant spirit of academic discourse. You are encouraged to comment, question, or critique an idea but you are not to attack an individual. Our differences, some of which are outlined in the University's nondiscrimination statement, will add richness to this learning experience. Please consider that sarcasm and humor can be misconstrued in online interactions and generate unintended disruptions. Working as a community of learners, we can build a polite and respectful course ambiance.

RELIGIOUS HOLIDAYS & ACCOMMODATIONS

Many religious faiths are represented in the student body. The University of Missouri does not restrict student free exercise of religion, unless 1) the restriction is in the form of a rule of general applicability, and does not discriminate against religion or among religions; and 2) it can be demonstrated that the application of the restriction is essential to furthering a compelling university interest, and is not unduly restrictive considering the relevant circumstance. The policy of the University attempts to strike a reasonable balance between accommodating the religious practice of students and meeting academic needs and standards.

Consult IDE's [Guide to Religions](#) for the form that can be used to notify an instructor of an absence associated with religious practice. Students are expected to notify their instructor(s) by completing and submitting this form in a manner that is consistent with the procedure outlined in the university's policy on student religious accommodation. Providing false information regarding sincerely held religious practice is a violation of the university's Standard of Conduct and will not be tolerated.

NONDISCRIMINATION POLICY (PROHIBITED DISCRIMINATION)

The University of Missouri does not discriminate on the basis of race, color, national origin, ancestry, religion, sex* (including gender), pregnancy, sexual orientation, gender identity, gender expression, age, disability, protected veteran status, and any other status protected by applicable state or federal law. Discrimination includes any form of unequal treatment such as denial of opportunities, harassment, and violence. *Sex discrimination includes rape, sexual assault, sexual harassment, unwanted touching, stalking, dating/domestic violence, stalking, and sexual exploitation. Retaliation for making or supporting a report of discrimination or harassment is also prohibited.

If you experience discrimination or sexual violence, you are encouraged (but not required) to report the incident to the MU Office for Civil Rights & Title IX. Learn more about your rights and options at civilrights.missouri.edu or call 573-882-3880. You also may make an anonymous report online.

If you are a survivor, or someone concerned about a survivor, and need immediate information on what to do, see [RSVP Resources page](#). Both the [Office for Civil Rights & Title IX](#) and the [RSVP Center](#) can provide assistance to students who need help with academics, housing, or other issues.

In the event that you choose to write or speak about having experienced any of these forms of prohibited discrimination or harassment, Mizzou policies require that, as your instructor, I share this information with the MU Office for Civil Rights & Title IX. They will contact you to offer information about resources, as well as your rights and options as a member of our campus community.

STUDENTS WITH DISABILITIES

The goal of the University of Missouri is to ensure an inclusive learning environment for all students. [The University of Missouri Disability Center](#) provides services and accommodations for students to participate fully in the learning experience and to experience equitable evaluation of their performance. Students (including online students) with a documented disability can contact the Disability Center to establish an [Accommodation Plan](#). Documented disabilities include *hearing, vision, mobility, learning and attention, psychological health, and physical health*. Students' accommodations are implemented with the input of students to maximize the learning experiences. The MU Disability Center keeps information about a student's disability confidential.

Please notify me of your eligibility for accommodations as soon as possible. Additionally, if there are aspects of the course that present as barriers, such as inaccessible course content (e.g., learning assessments, PowerPoints, non-captioned videos, images, tables, PDFs) or if you need an immediate accommodation due to an injury, please contact me or the Disability Center as soon as possible.