ECON 4254: LAW AND ECONOMICS
Spring 2019 Syllabus
[Preliminary Draft]

Department of Economics
HKUST Business School

Duration: January 30, 2019 – May 9, 2019
Schedule: TBA (Lectures)
           TBA (Tutorial)
Venue:    TBA (Lectures)
           TBA (Tutorial)

Course Web Site: https://canvas.ust.hk/

<table>
<thead>
<tr>
<th>Instructor:</th>
<th>Teaching Assistant:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professor Xiaoxuan Meng Email: <a href="mailto:xxmeng@ust.hk">xxmeng@ust.hk</a></td>
<td>TBA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Office Hours:</th>
<th>Office Hours:</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBA</td>
<td>TBA</td>
</tr>
<tr>
<td>Venue:</td>
<td>Venue:</td>
</tr>
<tr>
<td>TBA</td>
<td>TBA</td>
</tr>
</tbody>
</table>

Course Description
This course provides an introduction to the economic analysis of law. Considering the law as rules that govern incentives of economic agents, we study how economic analysis could be applied to broad topics including torts (e.g., product liability and medical malpractice), property, contracts, and legal procedure. We also cover another applied topic where Law and Economics play equally important roles: Competition Law and Antitrust Economics.
Learning outcomes
On completion of this course, you will be able to
1. Understand the implications of different legal rules on business and economic
decision making and explain the behavior of firms and consumers under certain
legal rules
2. Assess the merits of various legal rules and provide an informed opinion on
whether certain legal rules are appropriate for regulating particular business and
economic environments
3. Define and use the legal terminology for business communications
4. Explain how the boundary of the firm is related to legal rules governing
enforcement of contracts
5. Explain the main differences between civil and common law systems and their
implications on economic activities
6. Explain rationales behind competition regulations and predict consequences of
anticompetitive practices on competitors, other industry players, potential
entrants, and consumers

Format of Delivery
There are two 1.5-hour lectures and a 1-hour tutorial each week.

Required Textbook
The text is Law and Economics, 6th edition, by Robert Cooter and Thomas Ulen (Cooter
and Ulen), available for free download at Berkeley Law School’s website:
https://scholarship.law.berkeley.edu/books/.

Grades
The grades will be based on problem sets (30%), midterm (30%), and final exam (40%).

Optional Research Project
Interested students have the opportunity to conduct an individual or group research
project under my supervision on a Law and Economics or Competition Policy issue.
This project can be used to satisfy the ECON 4670 requirement, but will not count
toward your grade for this course. The group size should be no larger than 3 and group
members are required to give anonymous peer evaluation of groupmates’
contributions to the project. The essay would be 8-10 pages in length.

Course Schedule
Introduction to Law and Economics
Week 1 (Dates TBA): Introduction
Cooter and Ulen Chapter 1-3
Economics of Property Law
Week 2 (Dates TBA): An Economic Theory of Property Law
  Cooter and Ulen Chapter 4

Week 3 (Dates TBA): Applications: Intellectual Property
  Cooter and Ulen Chapter 5
Economics of Tort Law
Week 4 (Dates TBA): *An Economic Theory of Tort Law*
    Cooter and Ulen Chapter 6

Week 5 (Dates TBA): *Applications of the Economic Theory of Tort Law*
    Cooter and Ulen Chapter 7

Economics of Contract Law
Week 6 (Dates TBA): *The Economic Theory of Contract Law*
    Cooter and Ulen Chapter 8

Week 7 (Dates TBA): *Applications of Economic Theory of Contract Law*
    Cooter and Ulen Chapter 9

Midterm: Second Class of Week 7

Economics of Legal Process
Week 8 (Dates TBA): *Economic Theory of Legal Process*
    Cooter and Ulen Chapter 10

Week 9 (Dates TBA): *Topics on Economic Theory of Legal Process*
    Cooter and Ulen Chapter 11

Competition Law and Economics
Week 10 (Dates TBA): *Cartel and Leniency Programs*
    Instructor-prepared Lecture notes

Week 11 (Dates TBA): *Exclusionary Conducts and Predatory Pricing*
    Instructor-prepared Lecture notes

Week 12 (Dates TBA): *Competition Law in Hong Kong*
    Competition Ordinance, Hong Kong Competition Commission
    Guideline on The First Conduct Rule, Hong Kong Competition Commission
    Guideline on The Second Conduct Rule, Hong Kong Competition Commission