

LAW & ECONOMICS CENTER, GEORGE MASON UNIVERSITY SCHOOL OF LAW  
Economics Institute for Judges, Week Two  
Saturday, March 9 through Friday, March 15, 2013

Classes: Chapman University, 1 University Drive, Orange, CA 92868  
Hotel: Doubletree by Hilton, 100 The City Drive, Orange, CA 92868

## Agenda

### Saturday, March 9

#### Arrival

*Registration at the Doubletree Hotel: No program*

5:00 – 7:00 pm

Optional Registration, Lobby

### Sunday, March 10

#### Incentives, Property Rights, and Transactions Costs

*Classes held at the Doubletree Hotel, Laguna/Newport Room*

8:30 – 9:15 am

Registration and Breakfast, Atrium & Patio

9:30 – 10:45 am

#### Welcome

**D. Bruce Johnsen**, Professor of Law, George Mason University School of Law, and  
Director, Judicial Education Programs, Law & Economics Center

#### Free Market Environmentalism

**Terry L. Anderson**, President, Property and Environment Research Center (PERC); Senior  
Fellow, Hoover Institution, Stanford University

Reading Assignment: [Terry L. Anderson and Laura E. Huggins, \*Property Rights: A Practical Guide to Freedom & Prosperity\*, Hoover Institution Press Publication 515, Stanford University \(2003\)](#)

11:00 – 12:15 pm

Tragedy of the Commons; The Coase Theorem | Anderson

12:30 – 2:00 pm

Lunch, Atrium

Property Rights and Environmental Entrepreneurs | Anderson

2:15 pm

Bus departs Doubletree Hotel for Laguna Beach

5:00 pm

Bus departs Doubletree Hotel for Las Brisas

6:00 – 8:00 pm

Reception and Dinner, *Las Brisas Restaurant, Laguna Beach*

8:00 pm

Bus departs Las Brisas for Doubletree Hotel

### Monday, March 11

#### Economics of Accounting Data

*Classes held at Chapman University, Sandhu Conference Center, Room D-1*

7:00 & 7:30 am

Bus departs Doubletree Hotel for Chapman University

7:15 – 8:00 am

Breakfast at Chapman University, Room D

8:00 – 9:15 am

#### Introduction to Financial Statements

**Glenn M. Pfeiffer**, Warren and Doris Uehlinger Endowed Professorship in Business,  
Argyros School of Business & Economics, Chapman University

Reading Assignment: [Robert C. Pozen, Is it Fair to Blame Fair Value Accounting for the Financial Crisis?, Harvard Business Review \(November 2009\);](#)

[Glenn Pfeiffer and David Porter, Bubbles and Fair Value Accounting, Economic and Business Review \(December 2011\).](#)

9:30 – 10:45 am	Historical Costs and Opportunity Costs; Accounting Values v. Financial Valuation; Accounting Values and Market Values   Pfeiffer
11:00 – 12:00 pm	Off-Balance Sheet Financing; Fair Value Reporting and The Banking Crisis   Pfeiffer
12:15 – 1:15 pm	Lunch, Room D
	<b>Welcome</b> Thomas J. Campbell, Dean, Chapman University School of Law
1:15 pm	Bus departs Chapman University for the Doubletree Hotel

## Tuesday, March 12

*Classes held at Chapman University, Sandhu Conference Center, Room D-1*

## Statistics and Policy Analysis

7:00 & 7:30 am	Bus departs Doubletree Hotel for Chapman University
7:15 – 8:00 am	Breakfast at Chapman University, Room D
8:00 – 9:15 am	Statistics in an Hour Jonathan Klick, Professor of Law, University of Pennsylvania Law School
	Reading Assignment: <a href="#"><u>David H. Kaye and David A. Freedman, Reference Guide on Statistics; and Daniel L. Rubinfeld, Reference Guide on Multiple Regression, Reference Manual on Scientific Evidence: Third Edition (2011)</u></a> <a href="http://www.nap.edu/catalog.php?record_id=13163">http://www.nap.edu/catalog.php?record_id=13163</a>
9:30 – 10:45 am	When is Correlation Causation?   Klick
	Reading Assignment: <a href="#"><u>Joshua D. Angrist and Jörn-Steffen Pischke, The Credibility Revolution in Empirical Economics: How Better Research Design Is Taking the Con out of Econometrics, Journal of Economic Perspectives, 24(2): 3-30 (2010)</u></a> <a href="http://www.aeaweb.org/atypon.php?return_to=/doi/pdfplus/10.1257/jep.24.2.3">http://www.aeaweb.org/atypon.php?return_to=/doi/pdfplus/10.1257/jep.24.2.3</a>
11:00 – 12:15 pm	Using Empirical Research to Guide Policy Making   Klick
12:15 & 2:00 pm	Bus departs Chapman University for the Doubletree Hotel
6:45 pm	Bus departs Doubletree Hotel for Citrus City Grille
7:00 – 9:00 pm	Reception and Dinner, Citrus City Grille, Old Town Orange
9:00 pm	Bus departs Citrus City Grille for Doubletree Hotel

## Wednesday, March 13

*Classes held at the Doubletree Hotel, Laguna/Newport Room*

## Scientific Method

7:00 – 7:45 am	Breakfast, Atrium
8:00 – 9:15 am	The Scientific Method James Trefil, Robinson Professor of Physics, George Mason University

Reading Assignment:

[James S. Trefil, \*What is Science?\*, Science in World, 1:1-13 \(Routledge 2012\)](#)

9:30 – 10:45 am

**Elements of Scientific Decision Making | Trefil**

11:00 – 12:15 pm

**The Extinction of the Dinosaurs: The Scientific Method in Action | Trefil**

**Thursday, March 14**

*Classes held at Chapman University, Sandhu Conference Center, Room D-1*

## **Experimental Economics**

7:00 & 7:30 am

**Bus departs** Doubletree Hotel for Chapman University

7:15 – 8:00 am

**Breakfast at Chapman University, Room D**

8:00 – 9:30 am

**The Modern Relevance of Adam Smith**

**Vernon L. Smith**, Professor of Economics and Law, George L. Argyros Endowed Chair in Finance and Economics and 2002 Nobel Laureate in Economics, Chapman University

**Bart Wilson**, Professor of Economics and Law, Donald P. Kennedy Endowed Chair in Economics and Law, Chapman University

Reading Assignment: [Vernon L. Smith, \*Adam Smith on Humanomic Behavior\*, Journal of Behavioral Finance & Economics, Vol. 2, Issue 1 \(2012\)](#)

[Adam Smith, Chapter I: of the Division of Labour 1, The Online Library of Liberty \(January 2013\)](#) <http://oll.libertyfund.org/title/237/212260>

[Adam Smith, Chapter II: of the Principle which Gives Occasion to the Division of Labour, The Online Library of Liberty \(January 2013\)](#) <http://oll.libertyfund.org/title/237/212262>

[Adam Smith, Chapter III: That the Division of Labour is Limited by the Extent of the Market, The Online Library of Liberty \(January 2013\)](#) <http://oll.libertyfund.org/title/237/212264>

[Vernon L. Smith & Bart J. Wilson, Sentiments, Conduct, and Trust in the Laboratory \(January 2013\)](#)

9:45 – 10:45 am

**The Emergence of Property in the Laboratory | Smith and Wilson**

Reading Assignment: [Robert C. Ellickson, \*A Hypothesis of Wealth-Maximizing Norms: Evidence from the Whaling Industry\*, Journal of Law, Economics, and Organization, 5\(1\): 83-97 \(1989\)](#)

11:00 – 12:15 pm

**Cooperation, Competition, and Trust Formation: Insights and Implications from the Prisoners' Dilemma**

**Matthew W. McCarter**, Assistant Professor of Management, George L. Argyros School of Business and Economics, Wang-Fradkin Assistant Professorship, Chapman University

Reading Assignments: [Max H. Bazerman, \*The Mind of the Negotiator: When Self-interest Is Sabotage\*, Negotiation \(December 2003\)](#)

[Deepak Malhotra, \*When Contracts Destroy Trust\*, Harvard Business Review 87, no. 5 \(May 2009\): 25](#)

12:15 pm

**Bus departs** Chapman University for the Doubletree Hotel

6:30 pm

**Bus departs** Doubletree Hotel for Orange Hill Restaurant

7:00 – 9:00 pm

**Reception and Dinner, Orange Hill Restaurant, Orange**

9:00 pm

**Bus Departs** Orange Hill Restaurant for Doubletree Hotel

Friday, March 15

## Law and Economic Applications

*Classes held at the Doubletree Hotel, Laguna/Newport Room*

7:00 – 7:45 am

**Breakfast, Atrium**

8:00 – 9:15 am

### **Mortgage Markets**

**Todd J. Zywicki**, George Mason University Foundation Professor of Law, George Mason University School of Law

Reading Assignments: [Joseph D. Adamson and Todd J. Zywicki, \*The Law and Economics of Subprime Lending\*, 80 U. Colo. L. Rev. 1 \(Winter 2009\)](#)

[Gabriel Okloski and Todd J. Zywicki, \*The Housing Market Crash\*, Mercatus Center Working Paper No. 09-35 \(September 2009\)](#)

9:15 – 9:45 am

**Break** – Check Out of Hotel, Check Bags

9:45 – 10:45 am

### **The Not-So-Good Good Old Days of Consumer Credit | Zywicki**

Reading Assignments: [Todd J. Zywicki, \*America's Debt Paranoia\*, \*The Freeman\* \(October 2009\)](#) <http://www.thefreemanonline.org/featured/americas-debt-paranoia/>

[Todd J. Zywicki, \*The Market for Information and Credit Card Regulation\*, \*Banking & Financial Services Policy Report\* at 13 \(January 2009\)](#)

[Todd J. Zywicki, \*Money to Go\*, \*Regulation\* at 32 \(Summer 2010\)](#)

[Todd J. Zywicki, \*Dodd-Frank and the Return of the Loan Shark\*, \*The Wall Street Journal\*, January 4, 2011](#)

<http://online.wsj.com/article/SB10001424052748704735304576058211789874804.html>

[Todd J. Zywicki, \*The Dick Durbin Bank Fees\*, \*The Wall Street Journal\*, September 29, 2011](#) <http://online.wsj.com/article/SB10001424052970204831304576597173130633798.html>

11:00 – 12:00 pm

### **On the Efficiency of the Common Law | Zywicki**

Reading Assignments:

[Todd J. Zywicki and Edward Peter Stringham, \*Common Law and Economic Efficiency\* \(September 8, 2010\); \*ENCYCLOPEDIA OF LAW AND ECONOMICS\*, Francesco Parisi, Richard Posner, eds., 2010; George Mason Law & Economics Research Paper No. 10-43](#)

[Todd J. Zywicki, \*Spontaneous order and the common law: Gordon Tullock's Critique\*, 135 \*Pub. Choice\* 35 \(2008\)](#)

12:00 pm

**Adjourn**

12:15 pm

**Bus Departs** Doubletree Hotel for John Wayne Airport (SNA)