

LAW & ECONOMICS CENTER, GEORGE MASON UNIVERSITY SCHOOL OF LAW  
Henry G. Manne Program in Law & Economics Studies  
Thirtieth Economics Institute for Law Professors  
Sunday, June 15 through Friday, June 27, 2014

Hotel & Classes: Sheraton Steamboat Resort, 2200 Village Inn Court, Steamboat Springs, Colorado 80477

## Agenda

### Sunday, June 15

Arrival

### Monday, June 16

*Classes held in the Twilight Room*

7:00 – 7:50 am                      **Breakfast, Villa Gallery**

8:00 – 9:15 am

**WELCOME**

**Henry N. Butler**, George Mason University Professor of Law, George Mason University School of Law, and Executive Director, Law & Economics Center

**CLASS 1: Economics in Action**

**Eric A. Helland**, Robert J. Lowe Professor of Economics, Claremont McKenna College

Reading Assignment: Mankiw, *Principles of Microeconomics*, 6<sup>th</sup> ed., South-Western Cengage (2011): Ch 1 and 2 (copy mailed)

9:30 – 10:45 am

**CLASS 2: Economics in Action | Helland**

Reading Assignment: Mankiw, Ch 3 and 4

11:00 am – 12:15 pm

**CLASS 3: Economics in Action | Helland**

Reading Assignment: [Staples-Office Depot Case](#)

12:15 – 1:00 pm

**Lunch, Saddles Deck**

1:15 – 2:30 pm

**CLASS 4: Introduction to Demand**

**Michael R. Baye**, Bert Elwert Professor of Business Economics and Public Policy, Kelley School of Business, Indiana University

Reading Assignment: Mankiw, pp 65-72

2:45 – 4:00 pm

**CLASS 5: Introduction to Supply | Baye**

Reading Assignment: Mankiw, pp 72-76

4:15 – 5:30 pm

**CLASS 6: Equilibrium and Applications | Baye**

Reading Assignment: Mankiw, pp 77-84, 111-121

[State of Florida v Medina](#) (Circuit Court – 11<sup>th</sup> Judicial Circuit, Miami-Dade County, FL)

Dubner & Levitt, "[Flesh Trade](#)," in *New York Times*, July 9, 2006

[FTC Press Release](#) on Factors Explaining National Average Gasoline Price Increase During Spring and Summer of 2006, Aug. 30, 2007

[Dissenting Statement of Commissioner Liebowitz](#)

## Monday, June 16 continued

5:30 – 6:30 pm Reception, *Saddles Deck*

## Tuesday, June 17

*Classes held in the Twilight Room*

7:00 – 7:50 am Breakfast, *Villa Gallery*

8:00 – 9:15 am **CLASS 7: Consumer Surplus | Helland**

Reading Assignment: Mankiw, pp 135-141

9:30 – 10:45 am **CLASS 8: Elasticity of Demand | Helland**

Reading Assignment: Mankiw, pp 89-96

[Text of the FTC Report to the President on Spring/Summer 2006 Nationwide Gasoline Price Increases](#)

11:00 am – 12:15 pm **CLASS 9: Substitutes and Complements | Helland**

Reading Assignment: Mankiw, pp 97-98

12:15 pm Adjourn for the Day

## Wednesday, June 18

*Classes held in the Twilight Room*

7:00 – 7:50 am Breakfast, *Villa Gallery*

8:00 – 9:15 am **CLASS 10: Producer Surplus | Helland**

Reading Assignment: Mankiw, pp 141-144

9:30 – 10:45 am **CLASS 11: Production and Cost | Helland**

Reading Assignment: Mankiw, pp 259-274

Alchian, "[Costs](#)," *Economic Forces at Work*, Liberty Fund (1977), pp 180-201

11:00 am – 12:15 pm **CLASS 12: Transaction Costs | Helland**

Reading Assignment: Klein, [Asset Specificity and Holdups](#)

12:15 pm Adjourn for the Day

## Thursday, June 19

*Classes held in the Twilight Room*

7:00 – 7:50 am Breakfast, *Villa Gallery*

8:00 – 9:15 am **CLASS 13: Monopoly and Perfect Competition | Helland**

Reading Assignment: Mankiw, pp 279-295, 299-313

Baye and Scholten, "[Kodak Appeals to Court to Terminate 1921 and 1954 Decrees that Restrict Pricing Policies](#)"

9:30 – 10:45 am **CLASS 14: Introduction to Games and Strategy | Baye**

Reading Assignment: Mankiw, pp 353-362

## Thursday, June 19 continued

- 11:00 am – 12:15 pm**      **CLASS 15: Collusion | Baye**  
Reading Assignment: Baye and Scholten, "[Quoting Convention of NASDAQ Dealers Prompts a Justice Department Probe](#)"
- 12:15 – 1:00 pm**      **Lunch, Saddles Deck**
- 1:15 – 2:30 pm**      **CLASS 16: Games Involving Timing and Sequencing of Moves | Baye**
- 2:45 – 4:00 pm**      **CLASS 17: Oligopoly Models | Baye**  
Reading Assignment: Mankiw, pp 329-362  
Klein, "[Brand Names.](#)" from *The Concise Encyclopedia of Economics*
- 4:15 – 5:30 pm**      **CLASS 18: Antitrust | Baye**  
Reading Assignment: Mankiw, pp 362-368
- 6:30 – 9:00 pm**      **Reception and Dinner, Saddles Deck & Sevens**

## Friday, June 20

*Classes held in the Twilight Room*

- 7:00 – 7:50 am**      **Breakfast, Villa Gallery**
- 8:00 to 9:15 am**      **CLASS 19: Experimental Economics**  
**Kathryn M. Zeiler**, Professor of Law, Georgetown University Law Center  
Reading Assignment: Croson, "[Why and How to Experiment: Methodologies from Experimental Economics.](#)" University of Illinois Law Review 2002, 921 (2002)  
Zeiler, "[Cautions on the Use of Economics Experiments in Law.](#)" Journal of Institutional and Theoretical Economics 166(1):178-193 (2010)
- 9:30 – 10:45 am**      **CLASS 20: Behavioral Law & Economics | Zeiler**  
Reading Assignment: Jolls, "[Behavioral Law and Economics.](#)" in *Behavioral Economics and Its Applications*, Peter Diamond and Hannu Vartiainen eds., Princeton University Press (2007)  
Sunstein and Thaler, "[Libertarian Paternalism is Not an Oxymoron.](#)" University of Chicago Law Review 70(4), 1159-1202 (2003)  
Mitchell, "Libertarian Paternalism is an Oxymoron", Northwestern University Law Review 99(3): 1245-1277 (2005), [Part 1](#) and [Part 2](#)
- 11:00 am – 12:15 pm**      **CLASS 21: Behavioral Law & Economics | Zeiler**
- 12:15 – 1:00 pm**      **Lunch, Saddles Deck**
- 1:15 – 2:30 pm**      **CLASS 22: The Basic Economics of Externalities and the Environment | Butler**

## Friday, June 20 continued

2:45 – 4:00 pm

### CLASS 23: Free Market Environmentalism: Hats Matter

Terry L. Anderson, President and William A. Dunn Distinguished Senior Fellow, Property and Environment Research Center (PERC), and John and Jean DeNault Senior Fellow, Hoover Institution, Stanford University

Reading Assignment: Mankiw, Ch 10 and 11

Anderson & Huggins, [Property Rights: A Practical Guide to Freedom and Prosperity](#), Hoover Institution (2009)

Anderson and Botkin, "[Fighting Western Fires With Economics](#)," Wall Street Journal, June 19, 2014

Jason Baca, "[Out-of-State developer to force business to close](#)," Bozeman Daily Chronicle, June 6, 2014

4:15 – 5:30 pm

### CLASS 24: Entrepreneurship, Property Rights, and Markets | Anderson

Reading Assignment: Asquith, [Bees and Barbed Wire for Water](#), PERC Reports, Vol. 24, No. 4 (Winter 2006)

5:30 pm

**Adjourn for the Day**

## Saturday, June 21

*Classes held in the Twilight Room*

7:00 – 7:50 am

**Breakfast, Villa Gallery**

8:00 – 9:15 am

### CLASS 25: The Evolution of Property Rights | Anderson

Reading Assignment: Scarborough and Lund, [Saving Our Streams: Harnessing Water Markets](#), PERC (2007)

9:30 – 10:45 am

### CLASS 26: There Ain't No Such Thing as an Externality OR Coase vs. Pigou: Transaction Costs or 'Technical Difficulties' | Anderson

Reading Assignment: Anderson, "[Donning Coase-coloured Glasses: A Property Rights View of Natural Resource Economics](#)," The Australian Journal of Agricultural and Resource Economics, 483, 445-462 (2004)

11:00 am – 12:15 pm

### CLASS 27: Real Markets vs. Trading Schemes | Anderson

Reading Assignment: Leal, De Alessi & Baker, [Beyond IFQs in Marine Fisheries](#), PERC (2008)

12:15 pm

**Adjourn for the Weekend**

## Sunday, June 22

*No Scheduled Events*

## Monday, June 23

Classes held in the Twilight Room

|                     |   |
|---------------------|---|
| 7:00 – 7:50 am      | Breakfast, Mount Werner   |
| 8:00 – 9:15 am      | <b>CLASS 28: Crime and Punishment</b><br><br>Joanna Shepherd, Professor of Law, Emory University School of Law<br><br><u>Reading Assignment:</u> Posner, <a href="#">An Economic Theory of the Criminal Law</a> , 85 Columbia Law Review 1193 (1985)<br><br>Butler, Drahozal, and Shepherd, Economic Analysis for Lawyers, 3 <sup>rd</sup> ed., Carolina Academic Press (forthcoming 2014): Chapter VII   |
| 9:30 – 10:45 am     | <b>CLASS 29: Crime and Punishment   Shepherd</b>  |
| 11:00 am – 12:15 pm | <b>CLASS 30: Crime and Punishment   Shepherd</b>  |
| 12:15 – 1:15 pm     | Lunch, Saddles Deck   |
| 1:15 – 2:30 pm      | <b>CLASS 31: Agency Costs, Transaction Costs, and Theory of the Firm</b><br>Scott E. Masten, Professor of Business Economics and Public Policy, Ross School of Business, University of Michigan<br><br><u>Reading Assignment:</u> Masten, <a href="#">excerpts from "Introduction."</a> <i>Case Studies in Contracting and Organization</i> (1996), pp 3-25<br><br><a href="#">Lake River Corp. v Carborundum. Co</a><br><br><a href="#">PSI Energy v Exxon Coal USA</a><br><br>Ronald H. Coase, <a href="#">excerpts from The Nature of the Firm</a> (1937)<br><br>Williamson, <a href="#">excerpts from "The Limits of Firms: Incentive and Bureaucratic Features."</a> Chapter 6 in <i>The Economic Institutions of Capitalism</i> (1985), pp 131-62<br><br>Masten, <a href="#">"The Organization of Production: Evidence from the Aerospace Industry."</a> <i>Journal of Law and Economics</i> , 27, October 1984, pp 403-417<br><br><u>Additional references and readings:</u> P. Milgrom and J. Roberts, <a href="#">"Risk Sharing and Incentive Contracts."</a> Chapter 7 in <i>Economics, Organizations and Management</i> (1992), pp 206-32<br><br>Lafontaine and Slade, <a href="#">"Vertical Integration and Firm Boundaries: The Evidence."</a> <i>Journal of Economic Literature</i> , Vol. XLV (September 2007), pp 629–685 |
| 2:45 – 4:00 pm      | <b>CLASS 32: Agency Costs, Transaction Costs, and Theory of the Firm   Masten</b>   |
| 4:15 – 5:30 pm      | <b>CLASS 33: Agency Costs, Transaction Costs, and Theory of the Firm   Masten</b>   |
| 5:30 pm             | Adjourn for the Evening   |



## Thursday, June 26

Classes held in the Twilight Room

- 7:00 – 7:50 am**                      **Breakfast, Mount Werner**
- 8:00 – 9:15 am**                      **CLASS 40: Public Choice Economics**  
**Todd J. Zywicki**, George Mason University Foundation Professor of Law, George Mason University School of Law
- Reading Assignment: Stearns & Zywicki, *Public Choice Concepts and Applications in Law* (West, 2009), [Chapter 1](#), [Chapter 2](#), and [Chapter 5](#).
- 9:30 – 10:45 am**                      **CLASS 41: Public Choice Economics | Zywicki**
- 11:00 am – 12:15 pm**                **CLASS 42: Public Choice Economics | Zywicki**
- 12:15 – 1:15 pm**                      **Lunch, Saddles Deck**
- 1:15 – 2:30 pm**                      **CLASS 43: Legalize Freedom**
- Robert D. Cooter**, Herman F. Selvin Professor of Law and Co-Director, Law and Economics Program, University of California, Berkeley School of Law
- Reading Assignment: Cooter & Schäfer, *Solomon's Knot: How Law Can End the Poverty of Nations*, Princeton University Press (2012) (copy mailed), Ch 1, 2, 13, 15
- 2:45 – 4:00 pm**                      **CLASS 44: Taking, Making, and Creating | Cooter**
- Reading Assignment: *Solomon's Knot*, Ch 3-5
- Cooter & Edlin, [The Falcon's Gyre: Introduction to Law & Growth Economics](#) (forthcoming), Ch 2-3
- 4:15 – 5:30 pm**                      **CLASS 45: Growth and Innovation | Cooter**
- Reading Assignment: *The Falcon's Gyre*, Ch 1, 4-5
- 5:30 pm**                                  **Closing Remarks | Butler**
- 6:30 – 7:00 pm**                      **Reception, Saddles Deck**
- 7:00 – 9:00 pm**                      **Dinner, Pool Deck Tent**

## Friday, June 27

Departure