

ECON 674: Economic Analysis of Law
Fall 2023 Syllabus
University of Maryland-College Park
Department of Economics
Master of Science in Applied Economics Program

Location: 1400 16th Street, NW in Washington, DC

Instructor: Yong Paek (ypaek@umd.edu)

Office hours: 6 30pm-7 30pm Wednesday and by appointment by Zoom

TA: Wantian Huang

TA Office hour: Tuesday from 5:30 pm to 6:30 pm and by appointment

Class Times

Class will be 12 in-person meetings held each Thursday evening from 6:45pm-9:30pm with a break around 8:00pm. Classes begin on September 7th and end on November 16th.

We will have a catchup class for the August 31st class at a later date after coordinating. This is because I cannot make it for personal reasons. This catchup class will be through Zoom (I am currently thinking 09/12).

No required text but I will share with you lecture notes and interesting and helpful readings on ELMS

There will be some material from Law and Economics , Cooter and Ulen, (<https://lawcat.berkeley.edu/record/1127400?ln=en>) which is available for free online.

Prerequisites: ECON 641 and ECON 644 (ECON 644 can be taken concurrently).

Grading: Students' grades will be a function of their performance on 5 graded requirements:

- Homework (30%)
- Participation in-class discussions (5%)
- Final Expert Report and Presentations (30%)
- Midterm exam (10%)
- Final exam (20%)
- Weekly online discussion board activity (5%)

For each category, students will receive a score on a scale of 0 to 100. The weighted average of those scores will determine the final letter grade, with the following cut-offs:

93-100	90-92	80-89	70-79	60-69	50-59	40-49	30-39	20-29	10-19	0-9
A	A-	B+	B	B-	C+	C	C-	D+	D	F

Course Objectives:

Our program has 7 general learning outcomes for students:

1. **Ability to understand, evaluate and analyze economic data**
2. **Ability to understand and interpret statistical evidence from economic data**
3. **Ability to apply empirical evidence to assessing economic arguments**
4. Ability to apply macroeconomic theories to policy discussions
5. **Ability to apply microeconomic theories to policy discussions**
6. **Ability to communicate economic ideas to a broader audience**
7. Ability to evaluate the effectiveness of policy programs using sound economic techniques

The learning outcomes that pertain to this course are to link outcomes 1, 2 to 3, 5, and 6.

The following section describes each course component in further detail:

Homework (30% DUE 9/21/2023, 10/19/2023, 11/9/2023)

The homework will consist of three problem sets, each worth 10%. Students may work with others, but they must submit their own solutions. Submissions must be made online through ELMS and are due no later than 6:30PM on the day they are due.

Each problem set will have two components:

1. A problem solving component related to the prescribed text book
2. A data analysis component that will build up to the final report due at the end of the semester.

The data analysis component of the problem sets will drive the presentation topics and expert report component of the course. **Consequently, the problem sets are extremely important for succeeding in course.**

More specifically, the problem sets will explore two data sets throughout the semester and all students will explore and analyze both data sets as part of the homework. However, students working in groups of two or three each group will each be allocated to one of the two data sets to delve deeper for the expert report due at the end of the semester.

Each groups' members and the expert report data set for each group will be determined at random once the final headcount of the class is determined when HW1 is due.

Details about the expert report can be found further below in this document.

In-class Participation in general (5%)

Class engagement, preparation and curiosity will be gauged in class.

The Expert Report and Presentations (30% Report due 12/10/2023)

On the day that problem sets are due, before the suggested solutions are posted on to ELMS after class, two groups will present their findings and solutions to the data analysis component of the problem set. The presentation will be 30 minutes consisting of a 20-minute presentation and 10 minutes of discussions where the class will discuss and offer constructive feedback on the analysis.

Each student's quality of participation in these post-presentation discussions will be noted and assessed.

The exact dates of presentations might have to be re-assessed once the final headcount (and hence the number of groups) are determined.

The expert report will be a maximum of 3,000 words. Data analysis using STATA is encouraged but not necessary. Other software such as R and Excel can also be used to develop the economic arguments required for the expert report provided clear and error free code is submitted at the time of report submission. If you feel strongly about using software other than the ones mentioned above, please come and see me to discuss.

For the expert report, student groups who have presented throughout the semester will each submit an expert report (one report per group) based on the data sets covered in the problem sets.

I will provide the structure of a real expert report filed in court (November) so you can get see how the structure of such reports should be laid out. The last class before the final exam (Nov 16th) will be workshops where teams present findings and progress to the class. Note that by this point should have made solid progress made through the problem sets and utilization of office hours. This workshop is to make sure that everyone is on the right track.

The grade for the final report will be based on the combination of the quality of presentations in class and the written report.

The report will need to be formatted following the APA formatting and style guide (See here for details <https://lib.guides.umd.edu/c.php?g=327052&p=2194819>)

Mid-terms (10% DUE 10/5/2023)

Some problems motivated by textbook material.

Final Exams (20% and 11/16/2023)

Some problems motivated by textbook material.

Online discussion board participation (5% once a week)

After each lecture with a case study. I will post a discussion topic about the case study on ELMS. And we will have a discussion.

Tentative Schedule

Lecture 1 (09/07)

- Introduction to course
- Overview of U.S. Legal System and Case Studies
- Economics Review: Data cleaning, visualization, and basic econometrics

Lecture 2 (09/12 ZOOM)

- Theory of Property Law
- **HW1 distributed**

Lecture 3 (09/14)

- Applications of Property Law
 - Case study: Patent Infringement and litigation

Lecture 4 (09/21) - HW1 DUE (allocate class to expert report teams)

- Theory of Tort Law
- **HW2 distributed**

Lecture 5 (09/28)

- Applications of Tort Law
 - Case studies: Product liability and false advertisement

Lecture 6 (10/05) - MID TERM (will cover non-data analysis material covered in HW1 and HW2)

- Contract Law and Applications of Contract Law
 - Case studies: Breach of contract cases

Lecture 7 (10/12) - HW2 DUE (First set of presentations, 2 groups present findings on Data Set 1)

- Theory of Antitrust and Federal Regulations
 - Horizontal Integration
 - Vertical Integration
 - Cartels and Price Fixing
- **HW3 distributed**

Lecture 8 (10/19)

- Antitrust Regulators and Merger Review
 - The FTC and DOJ merger review process
 - Horizontal Merger Guidelines and implications

Lecture 9 (10/26)

- Antitrust Case Studies
 - Live Nation/Ticketmaster
 - T-Mobile/Sprint
 - Tempur Sealy/Mattress Firm

Lecture 10 (11/02) - HW3 DUE (Second set of presentations, 2 groups present findings on Data Set 2)

- Theory of Public goods and Federal Regulations
 - Externalities
 - Public goods

- o Auctions and Coasian Bargaining revisited
- o Expert report workshop/presentations for groups that have not presented yet

Lecture 11 (11/09)

- Application of Federal Regulations: A Deep Dive into FCC Spectrum Auctions
- Guest Lecture
- The expert report and its role in court things to be aware of

Lecture 12 (11/16)

- Final Exam

Expert Report Due (12/10)

UMD Grad School and Program-level policies

Policies related to all graduate courses at the University of Maryland are posted on this page of the Graduate School's website:

<https://gradschool.umd.edu/faculty-and-staff/course-related-policies>

Please familiarize yourself with these policies related to academic integrity, non-discrimination policy, accessibility, absences and accommodations, grading, academic standing, grievance procedures, and other important policies.

Additional notes that should appear in all MS in Applied Economics program syllabi:

Email: The University has adopted email as the primary means of communication outside of the classroom, and the instructor will use it to inform students of important announcements. The University creates an "@umd.edu" email address for every graduate student. All official UMD communications will be sent to students at their "@umd.edu" email address. Students are responsible for reading their @umd.edu email, including ELMS/Canvas Announcements that are sent to the class. Students should make sure

that ELMS/Canvas Announcements and messages are forwarded to an email address that they check regularly. Failure to check email, errors in forwarding email, and returned email due to "mailbox full" or "user unknown" will not excuse a student from missing announcements or deadlines. The instructor will do their best to respond to email within 36 hours.

Laptop Computer Requirement: Completing some of this course's requirements will require a laptop computer (not a notebook or a tablet!) with at least 1 GB of RAM and at least 5 GB of free space available on the hard-drive. We recommend laptops with at least a 15-inch screen. Screens smaller than 13 inches are probably not practical.

Contact Hours : Three credit master's-level courses at the University of Maryland require a minimum amount of contact between instructors and students. Our courses' 12 weekly meetings only satisfy 80% of the university's contact requirement. The other 20% is satisfied by weekly mandatory and graded online contact. In principle, the contact hours requirement could be satisfied by scheduling 3 additional 150-minute meetings per term, or 6 additional 75-minute meetings, or 10 additional 45-minute meetings. But in practice the contact hours requirement is satisfied by the weekly online discussion boards. The weekly online discussions are a more flexible way to ensure that our program's courses in DC provide the same level of student-instructor contact as the traditional 15-week face-to-face version of the same course when it is taught on campus in College Park.

Workload: Mastering the material covered in this course requires a significant amount of work outside of class. Students should expect to spend more time outside of class than in class – typically at least twice as much time.

In a regular 15-week semester (as in the College Park version of our program): Taking 3 master's-level courses is supposed to approach the time commitment of a full-time job (~36-39 hours per week, so 12-13 hours per week per course). Taking 3 master's-level courses while simultaneously working at a demanding full-time job during the day is not advisable. Students with questions about the workload in this program should speak with me.

The courses in our DC program are 12-week courses that cover all the same material as a traditional semester-long 3-credit course (15 weeks). The compressed schedule makes it possible to complete our degree in just 15 months if you take 2 courses each term. But the compressed schedule also implies an accelerated pace with an average of 25% more work per week in a given course ($15/12 = 1.25$). The weekly workload when taking 2 of our DC courses per term is equivalent to the weekly load from 2.5 "normal" 15-week courses - so $2.5/3.0=83\%$ of a full-time load. Students who take 2 courses per quarter in our DC program complete 8 courses per year. So over the course of a year, taking 2 courses per quarter in our DC program is equivalent to 133% of a full-time load ($8/6 = 1.33$).

Academic Progress: The graduate school requires that students maintain a GPA of at least 3.0. Students whose cumulative GPA falls below 3.0 will be placed on academic probation by the graduate school. Students on academic probation must ask the program's director to petition the graduate school if they want to remain in the program. The petition must include a plan for getting the student's GPA up to at least 3.0. Students who do not live up to their plan can be

forced to leave the program without having earned the degree. Note: a grade of "B" corresponds to a GPA of 3.0. A grade of "B-" corresponds to a GPA of 2.7.

Excused Absences: If you miss any class meetings for any reason, you are still responsible for all material covered during the meeting you missed. It is your responsibility to work with study partners, the teaching assistant, and the instructor to make sure you catch up on the missed material. Instructors routinely facilitate things by posting lecture notes, etc.

If you need to miss an exam or other graded course requirement because of illness, injury, or some other emergency: Follow doctor's orders and get documentation. Get in touch with the instructor as soon as you're able – preferably prior to missing the exam or deadline. Communicate with the instructor to make up the course requirement as soon as possible. You are entitled to recover before you make up the course requirement, but you are not entitled to extra days to study beyond the time the doctor's note says you've been incapacitated. If you are incapacitated for more than a week or so beyond the end of the term, your grade in the course will be an "Incomplete." In such cases you must negotiate a plan with your instructor for completing the course requirements. Once you make up the course requirement the instructor will change your "I" to the appropriate letter grade.

School Closings and Delays: Information regarding official University closing and delays can be found on the campus website and the snow phone line: (301) 405-SNOW (405-7669) The program director will also announce cancellation information to the program as an announcement on the program's ELMS/Canvas site. This will generally be done by 1:00 p.m. on days when weather or other factors are an issue. When classes need to be canceled during the semester, we make every effort to schedule makeup classes.

UMD Counseling Center: Sometimes students experience academic, personal and/or emotional distress. The UMD Counseling Center in Shoemaker Hall provides comprehensive and confidential support services that promote personal, social, and academic success. The cost of these services is covered by the fees you already paid when you registered for classes, and there is no additional charge if you use the services. Proactively explore the range of services available, including the Counseling Service, Accessibility and Disability Service, and the Testing Office, all described at <http://www.counseling.umd.edu/>

Graduate Academic Counselor: The UMD Graduate School also has an academic counselor available to support students who are having difficulty navigating mental health resources on campus, are considering a leave of absence and/or need assistance finding mental health care off campus. The Graduate Academic Counselor also facilitates bi-weekly Graduate Student Circle Sessions which provide an opportunity to learn about resources and connect with other graduate students. Students can learn more about the Graduate Academic Counselor by going to: <https://gradschool.umd.edu/gradcounselor>

Course Evaluations: Near the end of the term, you will receive an email inviting you to submit a voluntary and anonymous course evaluation. Your feedback on courses will be very helpful in improving the quality of instruction in our program.

Building Access for DC Courses: There is a smartphone app that can be used to enter our building after normal business hours. The program coordinator will provide information about this. We will also provide information about the code for entering the front door of our suite. Please make sure you are receiving the ELMS-Announcements that we send out to the program about these and other important matters.