Honors Economics: Microeconomics and the Law
Spring 2018

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(Note this is the most basic edition—paperback, without EconLab or other supplements.)

Greetings, and welcome to Honors Economics: Microeconomics and the Law! Our concern in this course is to study the principles of microeconomics, and to do so in the context of designing and enforcing laws. The principles of microeconomics regard optimal decision-making by individuals and firms. I believe studying economics enriches our understanding of influences upon our standards of living, and provides each of us with new ways in which to participate in public policy-making. My teaching goal for this term is two-fold. First, I would like to introduce the language of microeconomics. Then, with this terminology in hand, we shall turn our attention to theoretical and empirical problems that arise in the design and enforcement of laws. Each student will select a US federal law for close microeconomic scrutiny and prepare a term paper that assesses the relative strengths and weaknesses of the law. Students learn not only the essential microeconomic concepts but also how those concepts appear in the structure of incentives and disincentives articulated within every law. I look forward to teaching this course, and I welcome your striving with me to attain these goals. Bon voyage!

A few lines regarding my teaching/exam/assignment philosophy are in my paper entitled “Humanities as Technology in Teaching Economics” in International Review of Economics Education 25, pp. 35-40, 2017, posted on our mycourses page.

RIT is committed to providing reasonable accommodations to students with disabilities. If you would like to request accommodations such as special seating or testing modifications due to a disability, please contact the Disability Services Office. It is located in the Student Alumni Union, Room 1150; the Web site is www.rit.edu/dso. After you receive accommodation approval, it is imperative that you see me during office hours so that we can work out whatever arrangement is necessary.
Course Requirements:

Exam #1 20%
Exam #2 30%
Term Paper 20%
Exam #4 (final) 30%

Examinations:

We will have two midterm exams, a term paper, and a final exam. The first exam will be given in class on **Wednesday, February 14** and the second exam will be given in class on **Monday, April 2**. The final exam is scheduled by the Institute for **Wednesday, May 2**, at 8-10am in our regular classroom. The second exam will not be cumulative; however, the final exam will be cumulative. You may only bring a “$15” calculator to the examinations—which is to say, a scientific calculator like a TI-30XIIS that does not have graphing, wireless, or keyboard functions. The examinations will comprise essays and problems, and will strictly span the materials we discuss in class. Thus, it is crucial to have a complete set of lecture notes. I strongly encourage you to exchange greetings and contact information soon with at least one other person in this class (before the end of the first week of classes), so that you may call upon that person for a copy of the lecture notes, should you need to miss a class for any reason. Please note that while I am eager to discuss your questions regarding the exam materials, my deadline for discussing exam materials is 5PM the evening before each exam. Sample exam questions will be posted at [https://mycourses.rit.edu/index.asp](https://mycourses.rit.edu/index.asp), our course website. Lastly, please note that if we determine that a make-up exam is appropriate, that exam will almost surely be an oral exam.

Course Grades:

Course grades will be determined as follows:

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<th>Plus/Minus Equivalent</th>
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<td>90-92.99</td>
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Readings:

I intend to discuss the following chapters in the Parkin text, in linear fashion: 1-8, 10-15, and 18. We will also discuss some pages in Chapters 16 and 17 when we discuss Chapters 5-6.

In addition, the following readings, listed in order of appearance, are quite complementary to the central textbook as we consider how microeconomic principles may be brought to bear upon the optimal design and enforcement of law. Some of the readings are freely available at the links provided below; the others are accessible via our mycourses class page.


For a look forward to a terrific undergraduate text in law and economics, see:

Research Paper

Please select a US federal law and, in an eight to ten page term paper, dissect its microeconomic aspects. To find a law, one might begin at http://www.findlaw.com/casecode/ and search within the US Code by keywords or by the popular name of an Act. One should then search by keyword within the EconLit database at Wallace Library online to see what economists have said about the law in the peer-reviewed literature. One might also consult the Elsevier database of journals and http://scholar.google.com by keyword to see what a broader cross-section of social scientists and others think of the law.

The paper must exhibit double-spacing, twelve-point font, default margins, and laser-printing. The paper must have a cover page and be presented in a neat, two-pocket folder. In one pocket, please place a copy of the relevant section(s) of the law; if this is not feasible, please provide a weblink so that I may handily read the salient section(s) of the law parallel with your paper. Please submit your paper on or before Wednesday, April 25. Please note that I cannot accept late papers. If you are unable to submit your completed paper in class on the due date, I am pleased to accept your complete paper (or your paper-in-progress) either in my office before noon (to include delivery by a friend, neighbor or family member; if I am not in my office, please slide it under my office door); by email as a Word or PDF document attachment, by noon; or by snail mail (if postmarked on or before the due date). If the email option becomes necessary, I must reduce the grade by 3%.

Personal Examples of Microeconomic Scrutiny of the Law:


Dyar, Julie and Jeffrey Wagner (2003). Uncertainty and Species Recovery Program Design. Journal of Environmental Economics and Management 45(2S): 505-522. (Analysis of some aspects of the Endangered Species Act; Julie Dyar and I wrote this paper when she was an undergraduate student at the University of Illinois-Urbana.)


Longo, C. and J. Wagner (2010). Bridging Legal and Economic Perspectives on Interstate Municipal Solid Waste Disposal in the US. *Waste Management* 31(1): 147-153. (Analysis of some aspects of the Resource Conservation and Recovery Act; Christine Longo and I wrote this when she was an undergraduate student at RIT.)

