

First Term Take-Home Test

Economics of Law, Policy and Organization
SOSC 2330 9.0
F/W 2006-07

Course Director: Richard Wellen

Value: 15% of Final Grade
Due Date: October 31

Choose one question from each section below. Using material from readings and lectures, write a 3-4 page essay (900-1300 words) on each topic. Although your grade will be determined by how well you show an understanding of course material, try to avoid using direct quotations from readings as much as possible. When you do make a reference to ideas from the readings, use a simple author and page number parenthetical citation style as follows: (Heath 23) or (Winter 45). You do not need to supply a list of references to course readings at the end.

SECTION A

1. Many assume that the defense of our rights, protection against unsafe products and the enforcement of the law is so basic to our social well-being that we should not see them as subject to 'trade-offs' or 'cost-benefit analysis'. Why do many economists disagree with this point of view?
2. Economists see moral or policy questions not as good/bad or right/wrong problems but rather as 'how much' questions. Explain what they mean and discuss the advantages and/or disadvantages of this approach?

SECTION B

3. It is often claimed that we assign to government too much responsibility – or the wrong kind of responsibility - for solving social problems. Discuss the merits of their views by making reference to the problems of market failure, government failure and one or more illustrative policy issues covered in lecture or readings (such as farm support, rent control, organ donation or others).
4. Winter compares three possible approaches to problems of liability in tort cases: strict liability, negligence and no liability. Using his discussion and at least one other reading on the topic explain whether you think the perspective of economists can give good guidance for legal and policy solutions to these problems.