

Law and Economics Term Paper

Write a 6–8 page paper applying economic analysis to one of the legal settings enumerated below. The paper should include a description of the setting, a formal model, as well as the analysis of the model. The methods used in class should serve as a guide to the methods of analysis; in particular, you may use algebraic, graphical, and verbal arguments. The goal of the analysis is to understand the possible effects of the law on different economic agents, and/or to compare the efficiency of the legal regime to alternatives (i.e., Is the law efficient? If not, what alternative would be superior?).

This paper requires original thought on your part. It is certainly not a literature summary or book report, nor should it involve econometric or extensive data analysis. You will be graded on the interest generated by the subject, on the depth of the economic arguments and on the quality of the written presentation. Students are encouraged to meet with me in February or early March to discuss their choice of topic and other matters relating to the paper.

Due Tuesday, November 14, in class.

1. Choose a law change (or a new law) that has received substantial attention in the media recently (say the last three months). Find a recent magazine or newspaper article or a television report outlining the legal setting. Include a copy of the printed article—or, in the case of television, a transcript or video of the program with your paper.
2. Choose a law or rule that affects student life at M.I.T. This could involve admissions, financial aid, graduation requirements, student government or other extracurricular activities, housing, honor code, etc.
3. In special circumstances, I will allow a student to analyze some other legal setting. The student must discuss the proposed topic with me and have it approved well before the paper deadline.