

ANALYTICAL METHODS FOR LAWYERS
Professors Bednar, Ben-Shahar, Ellsworth, and Gross
Fall 2002

Welcome to *Analytical Methods for Lawyers*. The course contains 4 units:

1. Game Theory and the Law/ Professor Ben-Shahar
2. Empirical Methods in the Law / Professor Gross
3. Social Choice and the Law / Professor Bednar
4. Cognitive Psychology and the Law / Professor Ellsworth

Each unit consists of 9 or 10 meetings, for a total of 39 meetings (3 credits). The following is the calendar plan of the course:

Sept 4 – September 24: Game Theory and the Law (10 Lectures)

September 25 -- October 21: Empirical Methods (9 Lectures)

October 22 – November 12: Social Choice (10 Lectures)

November 13 – December 4: Cognitive Psychology (10 Lectures)

Course Materials

At the start of each unit, relevant materials and the unit syllabus will be distributed

Readings

Reading assignments are listed in the syllabus. Unless otherwise announced in class, you should prepare the topic that follows the one most recently discussed.

Examination

There will be an 8-hour take home examination. The exam will contain 4 questions, each relating to a different unit of the course.

Unit 1: Game Theory and the Law
Professor Ben-Shahar

Reading Assignments

1. Strategic Behavior and the Definition of a “Game”.

Binmore, *Fun and Games*, 3-5

Dixit and Nalebuff, *Thinking Strategically* 1-2

Schelling, *What is Game Theory* (in *Choice and Consequence*, 213-223)

2. Solution Concepts and “Nash Equilibrium”

A. Theory

Pindyck and Rubinfeld, *Microeconomics* (4th ed., 478-483)

Kreps, *Game Theory and Economic Modelling* 26-28, 30-35

B. Law

Baird et al., *Game Theory and the Law*, 9-19

3. The Prisoners’ Dilemma

A. Theory

Luce and Raiffa, *Games and Decisions* 94-97

Dawkins, *The Selfish Gene* 183-188

B. Contract Law

Birmingham, *Game Theory and Contract Law*

C. Bankruptcy Law

Jackson, *Bankruptcy, Non-Bankruptcy Entitlements, and the Creditors’ Bargain* 91

Yale L. J. 857 –868.

5. Threats and Commitments

A. Theory

Pindyck and Rubinfeld, 494-506

B. Litigation

Leff, *Injury, Ignorance, and Spite: The Dynamics of Coercive Collection* (in Katz, 159-166)

Bebchuk, *Suits with Negative Expected Value* (in *The New Palgrave Dictionary of Economics and the Law*)

C. Contracts

Klein, *The Hold-up Problem* (in *The New Palgrave Dictionary of Economics and the Law*) 241-243

D. Antitrust

Brandenburger and Nalebuff, *Co-opetition*, 161-8, 170, 174-6, 177-8, 192-4

E. Property

Ben-Shahar, *The Erosion of Rights By Past Breach*

6. **Repeated Games**

A. Theory

Pindyck and Rubinfeld, *Microeconomics* 486-491

Axelrod, *The Evolution of Cooperation* 145-158

Mahoney & Sanchirico, *Norms, Repeated Play, and the Role of Law* 10-26

B. Law

Gilson and Mnookin, *Disputing Through Agents*

7. **Bargaining**

Dixit and Skeath, *Games of Strategy*, 531-538