

LAW & ECONOMICS CENTER, GEORGE MASON UNIVERSITY SCHOOL OF LAW

Economics Institute for Judges, Week Two

Saturday, March 10 through Friday, March 16, 2012

Classes: Chapman University, 1 University Drive, Orange, CA 92866

Hotel: Doubletree by Hilton, 100 The City Drive, Orange, CA 92868

Agenda

Saturday, March 10

Welcome

Registration at the Doubletree Hotel; No program

6:00 - 7:30 pm

Registration, Lobby

6:30 pm

Optional Reception, Patio

7:30 pm

Optional Dinner, Atrium

Sunday, March 11

Incentives, Property Rights, and Transactions Costs

Classes held at the Doubletree Hotel, Laguna/Newport Room

8:30 am

Registration and Brunch, Atrium Patio

9:30 am

Free Market Environmentalism

Terry L. Anderson, Executive Director, Property and Environment Research Center (PERC), Senior Fellow, Hoover Institution, Stanford University

Reading Assignment: Terry L. Anderson and Laura E. Huggins, *Property Rights: A Practical Guide to Freedom & Prosperity* (Hoover Institution Press Publication 515. Stanford: Stanford University 2003).

11:00 am

Tragedy of the Commons; The Coase Theorem | Anderson

12:15 pm

Luncheon, Atrium

Property Rights and Environmental Entrepreneurs | Anderson

2:15 pm

Bus departs

Doubletree Hotel for Laguna Beach

5:00 pm

Bus departs

Doubletree Hotel for Laguna Beach

6:00 pm

Reception and Dinner, Las Brisas Restaurant, Laguna Beach

Monday, March 12

Economics of Accounting Data

Classes held at Chapman University, Kennedy Hall 237AB

7:00 & 7:30 am

Buses depart

Doubletree Hotel for Chapman University

7:15 am

Breakfast at Chapman University, Location TBA

8:00 am

Introduction to Financial Statements

Glenn M. Pfeiffer, Warren and Doris Uehlinger Endowed Professorship in Business, Argyros School of Business & Economics, Chapman University

Reading Assignment: Pozen, *Is it Fair to Blame Fair Value Accounting for the Financial Crisis?*, Harvard Business Review (November 2009);

Pfeiffer & Porter, *Bubbles and Fair Value Accounting*, Economic and Business Review (December 2011).

9:30 am

Historical Costs and Opportunity Costs; Accounting Values v. Financial Valuation; Accounting Values and Market Values | Pfeiffer

11:00 am **Off-balance sheet financing; Fair value reporting and the banking Crisis | Pfeiffer**

12:15 pm **Lunch, Argyros Forum Room 209AB**

1:15 pm **Bus departs**
Chapman University for the Doubletree Hotel

Tuesday, March 13 **Statistics and Policy Analysis**

Classes held at Chapman University, Argyros Forum Room 209AB

7:00 & 7:30 am **Buses depart**
Doubletree Hotel for Chapman University

7:15 am **Breakfast at Chapman University, Location TBA**

8:00 am **Statistics in an Hour**
Jonathan Klick, Professor of Law, University of Pennsylvania Law School

Reading Assignment: David H. Kaye and David A. Freedman, "Reference Guide on Statistics"; and Daniel L. Rubinfeld, "Reference Guide on Multiple Regression, *Reference Manual on Scientific Evidence: Third Edition* (2011), http://www.nap.edu/catalog.php?record_id=13163.

9:30 am **When is Correlation Causation? | Klick**

Reading Assignment: Angrist and Pischke, The Credibility Revolution in Empirical Economics: How Better Research Design Is Taking the Con out of Econometrics, *Journal of Economic Perspectives*, 24(2): 3-30 (2010), http://www.aeaweb.org/atypon.php?return_to=/doi/pdfplus/10.1257/jep.24.2.3.

11:00 am **Using Empirical Research to Guide Policy Making | Klick**

12:15 pm **Adjourn – Lunch on your own**

12:20 & 2:00 pm **Buses depart**
Chapman University for the Doubletree Hotel

6:00 pm **Bus departs**
Doubletree Hotel for Citrus City Grille

7:00 pm **Reception and Dinner, Citrus City Grille, Old Town Orange**

Wednesday, March 14 **Law and Economics Applications**

Classes held at the Doubletree Hotel, Laguna/Newport Room

7:00 am **Breakfast, Atrium Patio**

8:00 am **Mortgage Markets**
Todd J. Zywicki, George Mason University Foundation Professor of Law, George Mason University

Reading Assignment: Joseph D. Adamson & Todd J. Zywicki, *The Law and Economics of Subprime Lending*, 80 U. Colo. L. Rev. 1 (Winter 2009).

Gabriel Okloski and Todd J. Zywicki, "The Housing Market Crash," Mercatus Center Working Paper No. 09-35, September 2009.

9:30 am **The Not-So-Good Good Old Days of Consumer Credit | Zywicki**

Reading Assignment: Todd Zywicki, *America's Debt Paranoia*, The Freeman, (October 2009), <http://www.thefreemanonline.org/featured/americas-debt-paranoia/>

Todd J. Zywicki, *The Market for Information and Credit Card Regulation*, Banking & Financial Services Policy Report (January 2009) at 13.

Todd J. Zywicki, *Money to Go*, Regulation (Summer 2010) at 32.

Todd Zywicki, *Dodd-Frank and the Return of the Loan Shark*, The Wall Street Journal, January 4, 2011, <http://online.wsj.com/article/SB10001424052748704735304576058211789874804.html>

Todd Zywicki, *The Dick Durbin Bank Fees*, The Wall Street Journal, September 29, 2011, <http://online.wsj.com/article/SB10001424052970204831304576597173130633798.html>

11:00 am

On the Efficiency of the Common Law | Zywicki

Reading Assignment:

Zywicki, Todd J. and Stringham, Edward Peter, Common Law and Economic Efficiency (September 8, 2010). *ENCYCLOPEDIA OF LAW AND ECONOMICS*, Francesco Parisi, Richard Posner, eds., 2010; George Mason Law & Economics Research Paper No. 10-43.

Zywicki, Todd J., Spontaneous order and the common law: Gordon Tullock's critique *Public Choice* (2008) 135: 35–53 DOI 10.1007/s11127-007-9245-y
Received: 10 September 2007 / Accepted: 5 October 2007 / Published online: 13 November 2007 © Springer Science+Business Media, LLC. 2007

12:15 pm

Adjourn – Lunch on your own

Thursday, March 15

Experimental Economics

Classes held at Chapman University, Argyros Forum Room 209AB

7:00 & 7:30 am

Buses depart

Doubletree Hotel for Chapman University

7:15 am

Breakfast at Chapman University, Location TBA

8:00 am

The Emergence of Property in the Laboratory

Vernon L. Smith, Professor of Law and Economics, George L. Argyros Endowed Chair in Finance and Economics and 2002 Nobel Laureate in Economics, Chapman University

Stephen Rassenti, Professor of Mathematics and Economics and Director of the Economic Science Institute, Chapman University

Bart Wilson, Professor of Economics and Law, Donald P. Kennedy Endowed Chair in Economics and Law, Chapman University

Reading Assignment: Ellickson, Robert C. 1989. "A Hypothesis of Wealth-Maximizing Norms: Evidence from the Whaling Industry." *Journal of Law, Economics, and Organization*, 5(1): 83-97.

9:30 am

Competition and Product Bundling | Smith, Rassenti and Wilson

11:00 am

Cooperation, Competition, and Trust Formation: Insights and Implications from the Prisoners' Dilemma

Matthew W. McCarter, Assistant Professor of Management, George L. Argyros School of Business and Economics, Wang-Fradkin Assistant Professorship, Chapman University

Reading Assignment:

Bazerman, Max H. "The Mind of the Negotiator: When Self-interest Is Sabotage." *Negotiation*, December 2003.

Malhotra, Deepak "When Contracts Destroy Trust." *Harvard Business Review* 87, no. 5 (May 2009): 25.

12:00 pm

Adjourn

12:15 pm

Afternoon Free Study Time – Lunch on your own

12:20 & 2:00 pm **Buses depart**
Chapman University for the Doubletree Hotel

6:00 pm **Bus departs**
Doubletree Hotel for Orange Hill Restaurant

6:30 pm **Reception and Dinner at *Orange Hill Restaurant, Orange***

Friday, March 16 **Scientific Methodology**
Classes held at the Doubletree Hotel, Laguna Room

7:00 am **Breakfast, Atrium Patio**

8:00 am **The Scientific Method**
James Trefil, Robinson Professor of Physics, George Mason University

Reading Assignment:
Trefil, James S. "What is Science?" *Science in World*, 1:1-13 (Routledge 2012).

9:15 am **Break, *Check Out of Hotel – Check Bags***

9:45 am **Elements of Scientific Decision Making | Trefil**

11:00 am **The Extinction of the Dinosaurs: The Scientific Method in Action | Trefil**

12:00 pm **Adjourn**

12:15 pm **Bus Departs**
Doubletree Hotel for John Wayne Airport (SNA)