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AN INTERDISCIPLINARY MODEL FOR TEACHING AN UNDERGRADUATE COURSE ON LAW AND ECONOMICS

by

Nina Compton* and Lizbeth G. Ellis**

During the Spring semester of 1993, the business college at New Mexico State University (NMSU) offered a class entitled "Law and Economics". This course was created in response to the perceived need to accommodate the interests of undergraduate business students who were seeking a law-related business elective in their program of studies. The course was taught in team fashion by an economist and the senior business law faculty member at NMSU.

The course proposed to provide undergraduate business students with an appreciation of the coextensive nature of economics and the American legal system.1 The business college was interested in offering interdisciplinary electives that promoted critical thinking while developing the student's understanding of the interrelationships between various business disciplines. At the same time, the college had faculty within the economics department and legal studies field who were both interested in exploring the expanding role of economic analysis in legal reasoning including applications outside the typical market issues2, as well as practical applications of economic analysis in the courtroom.3 With these factors in mind, a course on law and economics provided a perfect fit.

This article describes the framework for a course that is not widely offered in business colleges, but warrants consideration by programs at other business

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schools. Although the course at NMSU was offered as an undergraduate course, the course could be taught as a graduate seminar in a master's program with equal success. A few comments regarding the nature of our university and the characteristics of the business program will be helpful in evaluating the value that a course of this type might have for programs of study at other schools.

The University Forum

The forum for the new course, NMSU, is located in the city of Las Cruces in southern New Mexico. NMSU presently serves about 15,500 students, and approximately 2,100 are enrolled in the College of Business Administration and Economics. As suggested by the name of the college, the economics discipline is housed in the business college, rather than in the liberal arts college as is the case at many universities. The administrative and physical proximity of the legal studies and economics disciplines at NMSU enhances the opportunity for collaborative efforts between faculty in these two fields. Law courses in the NMSU business school curriculum are designed to emphasize the legal environment within which businesses operate. Undergraduate students studying for the Bachelor of Business Administration are required to take either a traditional business law course (emphasizing contract law) or a legal environment course, at their option. The business law faculty is encouraged to develop junior and senior level elective courses that build upon the basic law foundation in a manner that is relevant to business students. An advanced law class that pertains to a specific business discipline was perceived as particularly valuable to the education of students in the business college.4

The Law and Economics course was offered as a senior level three-hour general elective in the undergraduate program. As seniors, all the students enrolled in the course had already met the core curriculum requirements for their major course of study within the College of Business, which as a practical matter meant each student had taken a foundation law course and at least several basic economics courses. No additional prerequisite courses were required of students enrolling in the Law and Economics class. The course was well received by the students and was strongly supported by both the Department of Economics and the Department of Finance which houses the legal studies faculty.

As will be the case in most business schools, no single instructor at NMSU holds both a law degree and a terminal degree in economics. Accordingly, it was essential for the course to be taught in team fashion with an instructor from each discipline willing to invest the time and effort to learn more about the other's area of expertise.5 Although the economist teaching this course had virtually no formal legal training and the lawyer had very little background in economics, each was excited by the prospect of learning from each other. Rather than disguise their lack of expertise, the instructors routinely asked each other questions in class. Students responded favorably to the more relaxed atmosphere engendered by learning with the instructors and showed an atypical willingness to actively participate in discussions.

Some background on law and economics may be useful to the business law professor who might consider offering such a course.

Law And Economics Basics

For over a century, both economists and legal academicians have applied economic thought and reasoning to legal issues.6 Early economic analysis of the law focused predominantly on market-related topics such as antitrust,7 taxation8 and labor law.9 Beginning in about 1960, economic analysis of the law changed significantly both in terms of methodology and subject matter. The use of formal mathematical models for economic analysis of the law became fashionable10 and economic analysis moved from strictly market-related subjects to non-market issues, such as marriage,11 crime12 and discrimination.13 This new conception of law and economics as a field of inquiry has often been referred to as the "law & economics movement."14 The movement was dominated by a group of politically conservative microeconomists with a strong pro-market and anti-government bias,14 commonly referred to as the "Chicago school" economists.15 Many such economists take the position that economic analysis provides a useful framework for understanding all human behavior.16 Their work is harshly criticized by many other economists and jurists who are skeptical about whether models developed to predict market behavior have any value when applied to non-market activities, who question whether the primary purpose of the law should be the promotion of economic efficiency (as defined by the Chicago school economists) and who are dubious about markets as a method for achieving social justice.17

Microeconomic analysis of market transactions can be reduced to relatively simplistic terms, albeit with some risk of diminished accuracy. The analysis is based on three fundamental premises. First, there is an inverse relationship between the price charged and the quantity demanded.19 Second, people act as "rational maximizers of their satisfactions."20 In other words, people deploy the resources they control so as to maximize the utility or benefit that can be obtained from those resources based on the individual's unique preferences. Third,
assuming certain ideal conditions including a perfectly competitive market where voluntary exchange is permitted, resources will gravitate toward their most valuable use so that "economic efficiency" is achieved. Efficiency is defined as using economic resources in such a way that their value (defined as human satisfaction as measured by aggregate consumer willingness to pay for goods and services) is maximized. Microeconomic analysis is subject to many criticisms, perhaps the most common of which is that the many assumptions upon which it is based are unrealistic or simply incorrect in many specific instances. Despite the criticism, this type of economic analysis is taught in an introductory economics course at virtually every major university.

When examining the legal system, the microeconomist adopts still another premise: rules of law operate to impose prices or provide subsidies on specific human behaviors or decisions. Based on this premise, the microeconomist attempts to predict the law's effect on value and efficiency (as they define these terms). This effort is less controversial when applied to laws and court decisions regulating market behavior (such as antitrust laws, taxation of specific products, restraints on alienation of property) than when applied to laws regulating non-market activities such as whether to marry or divorce, drive carefully or commit a crime. The microeconomists' attempts to predict the effect of specific laws on "economic efficiency" in these non-market activities are highly controversial.

To illustrate, economic analysis suggests that legalizing a free market in human babies would be economically efficient, i.e. human welfare would be maximized. Based on economic analysis, it can be argued that legal restrictions on trafficking in human babies keep supply and demand out of balance. Economic analysis predicts that in a free market where biological parents could be paid for babies, the supply of babies available for adoption would increase and the "price" paid (pecuniary and other) to obtain a child would decrease. Accordingly, there would be an increase in overall human welfare. While the microeconomist purports to make no judgment as to whether "efficiency" is good, just or socially desirable, the mere exercise of evaluating the "efficiency" of legal rules and decisions suggests that such economists believe there is some value in applying an efficiency criterion to the law.

The controversy among economists and jurists over the use of microeconomic analysis of law provides an excellent framework for promoting critical thinking and analysis. The lawyer, even one who is not well-versed in economics, can play a vital role in this effort by interjecting inquiries about equity and social justice into the analysis. This may be particularly important if the economist instructor's personal ideology is that of a "true believer" in the Chicago-school approach.

While the so-called law & economics movement has been characterized as an "intellectual fad" of the 1970s, in its aftermath there are now four journals devoted to the economic analysis of law and most major law schools now have at least one PhD economist on their faculties. The explicit use of economic analysis in court opinions is much more frequent and economists are commonly recognized as expert witnesses in a variety of legal proceedings. Thus, while the marriage of law and economics may have been a stormy one, it appears certain to remain intact for the foreseeable future and continues to offer fertile ground for study and debate.

Course Design And Methodology

The instructors' philosophy in designing the course was that class participation and active student involvement is paramount to the learning process. The goal of the team teaching effort was to facilitate a pro-active rather than reactive response by students. Students were expected to become involved participants in exploring the interface between economics and the law. To achieve the desired student participation, the instructors sought to substitute a somewhat softened Socratic approach for the traditional lecture. Except for the first three class periods which were used for an overview of the field of law and economics, a review of basic economic principles and a review of basic legal principles respectively, most class periods were treated as a roundtable discussion on the assigned readings. The instructors channeled the discussion through direct thought provoking questions. Students were expected to articulate and defend a particular position or response. The class was limited to ten students, which allowed the use of the seminar format combined with occasional lecture sessions.

Discussion topics covered a broad range of recent issues in the area of law and economics. Fortunately, there is a wealth of interesting topics that illustrate how economic principles relate to the legal policies that shape our society. Course topics were arranged in building block fashion, presenting an increasingly sophisticated level of scholastic inquiry. Some of the topics discussed included: the legal versus economic concepts of property rights, valuation of human resources at trial, the economist's role in the divorce case, and economic principles applied to natural resource issues such as pollution control. Each topic was developed in both its legal and economic implications. Appendix A contains a "Course Outline" with a detailed list of discussion topics.
Reading assignments for the course were taken from two required textbooks and supplemented with relevant journal articles and court opinions. The two required texts were Robin Paul Malloy's Law and Economics, A Comparative Approach to Theory and Practice and A. Mitchell Polinsky's Introduction to Law and Economics, Second Edition. Both of these texts complemented the interdisciplinary nature and team-teaching format of the course. Textbook reading assignments were supplemented with relevant journal articles and court opinions. A complete list of reading assignments arranged by topic (in the same sequence as the course outline) is found in Appendix B.

Although the reading list was rather ambitious when compared with other business courses, the instructors nonetheless chose to include numerous court decisions. The use of illustrative cases, for both lectures and discussion, was extremely effective in sparking interest and discussion. The use of actual cases added a real-world dimension to the application of the abstract concepts that students were expected to learn. The reading list included articles and cases that students were unlikely to have encountered in a previous law or economics class. Avoiding a duplication of coverage protected the academic integrity of the class.

The evaluation of student performance was based on two exams that utilized essay and short answer questions together with one research paper. For the research paper, students were required to select a topic from a list provided by the instructors or to obtain approval for topics they selected. Topics for papers were selected primarily from current issues presently before state or federal courts. Students manuscripts were expected to be ten to twelve pages in length and thoroughly researched. The research effort was documented through a bibliography attached to the paper. Students subsequently presented their research papers for the edification of the class as a whole, with ensuing discussion solicited from class members. Student comments indicated that the project, although rigorous due to the complex nature of the literature on many of the topics, provided an exceptionally enlightening learning experience.

Although it is beyond the scope of this paper to discuss each of the course topics in detail, a few examples of substantive areas of law and the related economic analysis will serve to illustrate the nature of the course and the instructors' approach to integrating the study of law and economics.

Race and Sex Discrimination in the Labor Market

The law relating to race and sex discrimination is well known to business law professors and is generally addressed in the foundation law course. However, anti-discrimination laws have become the focus of economic analysis, and a sophisticated discussion of these issues is typically beyond the scope of the foundation law course. Accordingly, the study of legal and economic principles as they relate to discrimination in the labor market was particularly appropriate for the Law and Economics course.

The primary inquiry for which economics may provide insight is: how do we prove discrimination has occurred? Increasingly, evidence of race and sex discrimination in the labor market is provided by economists in the courtroom. The intellectual father of the trend is University of Chicago economist Gary Becker who published The Economics of Discrimination in 1957. This seminal publication led the way for the use of economists as expert witnesses in cases involving both wage and employment discrimination on racial and gender grounds. Since its publication, courts have placed increased reliance on the empirical proof of discrimination provided by econometric methods.

Econometric methods involve building mathematical models of human behavior. Any model is merely an abstraction of reality: a small version of the real thing (in this case the labor market) that should (if it is constructed correctly) behave like the real thing. The benefit of the econometric model is its ability to present to the human observer (in this case a jury) that which is obscured by the complexity found in reality. For example, econometric models on wage and employment discrimination can compare the actual, observed values of wages and employment of various groups with those that the model indicates would have been expected to occur in the absence of discrimination. Where the actual data on wages and employment differ from the values predicted by the model, there is evidence of discrimination.

Attorneys now commonly rely upon economists in the courtroom to provide such analysis as a method for defining and establishing the presence of various types of discrimination. Opposing attorneys typically seek to discredit the results of such models (with the help of expert economist witnesses) by pointing out deficiencies in the model which are typically quantified as "error terms". All econometric models contain error terms that indicate how much of the observed phenomena (differences between actual data values and predicted values) is explained by the model, and how much is not. Despite the presence of error terms,
courts generally allow juries to consider statistical evidence of discrimination, holding that the error terms go to the weight rather than the admissibility of the evidence.  

While sophisticated econometric analysis was beyond the instructional scope of this course, the study of race and sex discrimination provided an ideal forum in which to provide an introduction to econometrics and its use in the courtroom. By citing existing court cases that have rendered opinions discussing the use of econometrics in the courtroom, and by reconstructing the elementary forms of econometrics on which the experts relied, students obtained a foundation for understanding the relationship between the empirical world of the economist and his place in court testimony.

Recovery Of Hedonic Damages

A second topic that was particularly successful in terms of stimulating discussion and debate was that of the recovery of hedonic damages. All students in the class were acquainted with the notion of monetary recovery for personal injury and wrongful death as a result of studies in their foundation law course. None, however, had considered the problems inherent in valuing human resources. Several class periods were devoted to a discussion of the traditional legal approach to this problem and the role that the economists has served in these valuation problems. With this background, students were well prepared to consider the latest innovation in this field, the valuation and award of hedonic damages, or damages for non-pecuniary value of life.

The phrase "hedonic damages" was coined by economist Stanley Smith. Courts have defined hedonic damages as either a loss of enjoyment of life or loss of life's pleasures. Almost everyone intuitively recognizes that an individual's life does have inherent value beyond the present value of the individual's future earnings. It is this other non-pecuniary value, the value of the joy of living, that is referred to as the hedonic value of life. While the existence of hedonic value is widely recognized, our legal system has traditionally based awards in wrongful death cases primarily on pecuniary losses (loss of income) because courts had no method or criteria for placing a dollar value on the hedonic value of the life.

Recently, economists have developed a variety of techniques to estimate hedonic damages. The application of economic tools for estimating the hedonic damages of life has created a storm of controversy. Although courts recognize that there is little agreement among economists as to the studies or elements which ought to be considered on the question of valuation of hedonic damages, economists are beginning to make inroads with respect to the acceptance of such applications as legitimate valuation techniques.

Many of the techniques used to calculate hedonic value involve using some surrogate criteria to determine the value that individuals themselves place on life. These techniques attempt to determine how much money a person would require in payment before accepting an increase in the risk of dying, or in the alternative, the amount of money a person would be willing to pay to reduce the risk of dying. For example, the estimate may be based on studies regarding the amount of money individuals actually pay to increase their own safety. Information on consumer purchases of safety items such as smoke detectors and air bags are often used. The economist's objective is to quantify dollars spent by the consumer relative to the risk reduction obtained from the items purchased. The economist can then determine the "price" a consumer is willing to pay to reduce his or her risk of dying.

As a simplistic example, if studies indicate that the average consumer is willing to pay $50, but no more, for a smoke detector that reduces the risk of dying in a house fire from 4 in 10,000 to 3 in 10,000, the economist would suggest that this indicates that the average person places a value of $50 on 1/10,000th of the person's life. Therefore, the hedonic value of life is estimated at $500,000 ($50 x 10,000). This does not suggest that this person would exchange his or her life for this sum of money. It is simply a method for estimating a non-pecuniary value of life.

Other techniques used by economists to measure the hedonic value of life are based on studies of wage increases workers must be paid to accept jobs with greater life risks. The general premise behind these wage and risk studies is that the wage will include compensation for the accepted level of risk. Typically, the economist will use differences between wages and deaths for a particular job and make comparisons to other jobs. By using statistical comparisons, the economist can establish a range for estimating the value of human life. Of course, these methods do not actually value life. Instead, measures such as the amount of money consumers are willing to pay to increase safety and how much remuneration workers are willing to accept for higher risk jobs are after-the-fact measures of the actual cost of an incremental statistical increase or decrease in the risk of death.
Economists have also attempted to estimate the hedonic value of life using a cost approach. This technique analyzes variables such as the cost of keeping an individual institutionalized or under intensive care in a hospital or incarcerated in prison. This analysis suggests that the amount of money that society is willing to spend to maintain life bears some relation to the value that society places on life. Critics point out that in none of these contexts is the decision to maintain the life based upon a determination that a life is worth a definitive amount of money. In the case of incarceration, the decision to maintain a life is a political rather than an economic decision. In the context of intensive care, it is a medical decision. The assumption that the cost of these decisions reflects the value society places on life may not be valid.

The use of economic analysis to estimate hedonic damages has been harshly criticized by the defense bar. Defendants argue that the statistical life measures advanced by economists measure the cost of changing the statistical risk of death or the cost of preserving an anonymous life, but are NOT a measure of the value of the life itself.43 Defendants note that the terms "damage" usually denotes the provable "financial consequences" of injury44 and advance the opinion that the hedonic loss is not one which the tort remedy of damages was designed to compensate. According to opponents of the award of damages for hedonic loss, for a jury to award hedonic damages in a wrongful death action, the jury must imagine a future life for the decedent which will never occur and place a monetary value upon that life based on nothing more than speculation, guess, or conjecture.45 Defendants reject this scenario and embrace the traditional approach that limits recovery in wrongful death to the present value of the decedent's future projected earnings based on age, earning capacity, health, habits and life expectancy.46 For these reasons, it is argued that expert economic testimony is not relevant or admissible on the damages issue in a wrongful death action.

The controversy surrounding the calculation and award of hedonic damages provided the class with insight into the general law of damage recovery, and the specialized application of economic theory to that area of law. The debate surrounding this issue also offered students insight into the tort reform movement fueled by the liability crisis in this country. Students responded both intellectually and emotionally to the issue. Heated discussions were channeled by the professors, and provided excellent opportunities for students to articulate opinions based upon economic, legal and philosophical analysis. The students indicated that the exploration of hedonic damages was a particularly effective learning experience.

Conclusion

The Law and Economics course that is the subject of this article was not treated as an exclusive forum for the Chicago school economics ideology. Rather, the approach of the course was to examine the relationship of law and economics in a much broader sense. While some of the micro-economic mathematical models were presented and discussed, much of the economic analysis was of a more rudimentary nature. Students generally found the study of economic principles more interesting and relevant when applied to actual real world legal issues. Conversely, students came to understand the significance of legal rules to business by studying the possible economic consequences of those rules. An examination of the tension between the efficiency objective of economics and the equity objective of law provided a valid forum for the discussion of business ethics and the value judgments inherent in economic and legal policy decisions.

This course demonstrated how the interdisciplinary synergy of team-teaching can elevate the role of a business law course and the business law faculty in the undergraduate curriculum. Since the legal issues explored in the Law and Economics course were ones generally not addressed by the foundation business law course, the course served to advance the student's understanding of law in the context of a business discipline. The business law faculty served an important role in the course by challenging students to defend the application of economic principles as applied to legal issues, thus promoting critical thinking. Students responded to the unique course content and methodology with a true zeal for learning.

Implementation of a Law and Economics course at other universities can promote an understanding of the value and function of the legal studies program. The course provides the opportunity for the business law faculty to provide insight for the legal principles that shape modern business policy and procedures. While the suggested classroom activities and instructional resources discussed in this article can be used as a model for structuring a unit on law and economics, the ultimate success of the study of economics in legal education depends upon the interest and resolve of the faculty to commit their energies to the course.
ENDNOTES


2. See infra notes 1-13 and accompanying text.


5. Judge Richard A. Posner, formerly Professor Posner of the University of Chicago and one of the leading figures in the law and economics movement, has noted: "The economics of law is the set of economic studies that build on a detailed knowledge of some area of law; whether the study is done by a 'lawyer,' an 'economist,' someone with both degrees, or a lawyer-economist team has little significance." *The Law and Economics Movement*, 77 AMER. ECON. REV. 1, 4 (1987).


10. RICHARD A. POSNER, *ECONOMIC ANALYSIS OF THE LAW* §2.1, 16 (2d ed. 1972) ("[t]he hallmark of the 'new' law and economics . . . is the application of the theories and empirical methods of economics to the legal system across the board . . .").


12. Id. at 39.

13. Id. at 17.


20. Id. at 1 and 6-9.

21. Id. at 9-10.

22. Id. at 10. Economists define efficiency in several technically different ways. References to "Pareto Optimal" outcomes are simply references to economically efficient outcomes under one of these definitions. See, e.g., ROSS D. ECKERT AND RICHARD H. LEFTWICH, *THE PRICE SYSTEM AND RESOURCE ALLOCATION* (10th ed. 1988).


25. Id. at 10.
26. See id. at 111-118.
28. Id. at 1067.
34. Id.
38. Id.
39. See Mercado v. Ahmed, 974 F.2d 863 (7th cir. 1992); see also Note, supra note 35.
41. See Sherrod v. Berry, 335 F.2d 1222 (7th Cir. 1964).
APPENDIX A

COURSE OUTLINE

I. NATURE OF THE DISCIPLINE: EXPOSITION AND CRITIQUE

II. REVIEW OF MICROECONOMIC THEORY
   A. Markets
   B. Efficiency and Pareto Optimality
   C. Notions of Equity, Fairness, and Justice
   D. Market Failure

III. REVIEW OF LAW AND LEGAL INSTITUTIONS

IV. PROPERTY AND PROPERTY RIGHTS
   A. The Legal versus the Economic Concepts
   B. The Importance of Transactions Costs in Exchange
   C. The Coase Theorem
   D. The Concept of Nuisance

V. CONTRACTS AND BREACH OF CONTRACTS

VI. ECONOMIC WELFARE, TORTS, AND DAMAGES
   A. Elements of a Tort
   B. Critique of Standard Solutions
   C. Pareto Optimality revisited
   D. Concept of Welfare Loss
   E. Measurement of Welfare Loss and the Notion of Compensated Demand Curves
   F. Use of Ordinary Demand Curves as Proxies for Compensated Demand Curves
   G. Optimal Precaution; Optimal Risk Reduction
   H. Liability
   I. Negligence

VII. VALUATION OF HUMAN RESOURCES, MEASUREMENT OF LOSSES: SOME PRACTICAL CONSIDERATIONS
   A. Concepts of Present Value and Future Value
   B. Concept of discounting; construction of Discount Rates
   C. Past versus future Losses
   D. Real versus Nominal Values
   E. Expected Worklife; Expected Lifetime
   F. Basic Information Required by Economist
   G. The Use of Medical, Physical, and Vocational Rehabilitative Therapists
   H. Actual versus Potential Earnings Losses
   I. Data Courses, Reliable and Non-reliable, Uses and Abuses
   J. The Concept and Measurement of Lost Household services.
   K. The Economist Report and Rebuttal
   L. Qualifying the Economist

VIII. MEASUREMENT OF LOSSES: SOME APPLICATIONS
   A. Wrongful Injury
      1. Damages when Injured Party is Totally or Partially Disabled
      2. Damages when there are no Measurable Earnings Losses
   B. Wrongful Death
      1. Establishing the Worth of Life and Limb; Critique of Current Practices
      2. Hedonic Damages
      3. Death of a Primary Breadwinner
      4. Death of a Child
C. Wrongful Employment Termination
   1. Are Jobs Considered Property?
   2. Discrimination damages

IX. DIVORCE SETTLEMENTS: ALIMONY, PROFESSIONAL DEGREES, PENSIONS

A. Alimony
   1. Standard Rules and Shortcomings
      a. Marriage as a contract Analogy
      b. Marriage as a Partnership Analogy
      c. Rightful Restitution Analogy
   2. Economic Rules
      a. Economic Disparity Between Parties
      b. Career Opportunity Costs

B. Professional Degrees
   1. Can degrees be Considered Property?
   2. Can the Returns to the Degree be divided?

C. Pension Settlements

X. NATURAL RESOURCES, VALUATION AND ALLOCATION ISSUES

A. Deprivation of Benefits, Loss of Opportunity, and Tort
B. Risk Assessment in Hazardous Activities
C. Interstate Allocation of Groundwater

APPENDIX B

READING LIST

NATURE OF THE DISCIPLINE, EXPOSITION AND CRITIQUE


REVIEW OF MICROECONOMIC THEORY


M. Polinsky, An Introduction to Law and Economics, Ch. 2 (1989).


REVIEW OF LAW AND LEGAL INSTITUTIONS

R. Cooter and T. Ulen, Law and Economics, Ch. 3 (1988).
PROPERTY AND PROPERTY RIGHTS


J. Daleo, Pollution, Property, Prices, Ch. (1968).

J. Hartwick and N. Olewiler, The Economics of Natural Resource Use, 8-10 (1986).


M. Polinsky, An Introduction to Law and Economics, Ch. 4 (1989).


E. Mishan, Growth: The Price We Pay, Ch. 5 (1969).


CONTRACTS AND BREACH OF CONTRACTS

M. Polinsky, An Introduction to Law and Economics, Ch. 5 (1989).

Cooter and Ulen, Chs. 6 and 7 (1988).


ECONOMIC WELFARE, TORTS, AND DAMAGES


Cooter and Ulen, pp. 347-270.

VALUATION OF HUMAN RESOURCES, MEASUREMENT OF LOSSES: SOME PRACTICAL CONSIDERATIONS


MEASUREMENT OF LOSSES: SOME APPLICATIONS


Sherrod v. Berry, 827 F.2d 195 (7th Cir. 1987).


DIVORCE SETTLEMENTS: ALIMONY, PROFESSIONAL DEGREES, PENSIONS


**NATURAL RESOURCES, VALUATION AND ALLOCATION ISSUES**


Trial Transcript Excerpt of *Cutler Cranberry v. Oakdale*, 20 P.O. F. 2d 165 (19).


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**FLEXIBLE EXAMS IN THE INTRODUCTORY LEGAL ENVIRONMENT COURSE**

by

Susan L. Martin

**Introduction**

Although testing is a most important aspect of the teaching and learning process, most business law professors have had little preparation in designing evaluation tools. To address this problem which exists for professors in most fields, many articles have been written about choosing an appropriate exam format and constructing meaningful exams. Unfortunately, mere proficiency at creating a particular kind of test no longer seems adequate. No one exam type seems to assess well the learning of an increasingly heterogeneous mix of students. Equally important are students' perceptions that they cannot do well on certain types of exams.

After reviewing the usual exam formats used in business law classes, this article concludes that because of the wide variations in abilities of students and the time constraints on professors, a multiple-choice exam that allows students to respond in essay form can be a useful tool.

**Assessing Students**

Generally, instructors of an introductory legal environment course test students to assess several areas of achievement. First, instructors want to know that students...