



Vintereksamen 2020/2021

Ordinær eksamen

Skriftlig prøve i: 420152E002 Law and Economics

Varighed: 4 timer

Hjælpemidler: Alle

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I tilfælde af fejl i eksamensopgaven, kan den fagansvarlige eksamensvagt kontaktes pr. e-mail inden for den første time. Efter denne time sender den fagansvarlige eksamensvagt et samlet svar på alle relevante henvendelser ud via Blackboard.

Sådan afleverer du din opgavebesvarelse

Start afleveringen i god tid inden afleveringsfristen.

Din besvarelse skal afleveres som **én samlet PDF-fil** i WISEflow. Maks. størrelse er **200 MB**.

Bilag og supplerende materiale kan afleveres i andre filformater (hvis tilladt). Samlet maks. størrelse er 5 GB.

Ved problemer med upload og aflevering i WISEflow, kan din besvarelse sendes til følgende mail: bss.exam@au.dk. Du skal anmode om tilladelse til at aflevere din opgave til endelig bedømmelse. Dette gøres via Studieselvbetjeningen. Du skal benytte formularen "Dispensation" under "Ansøgninger". Du skal anmode om dette hurtigst muligt efter at have sendt din besvarelse til mailadressen.

Har du brug for teknisk hjælp under eksamen, kan du kontakte **BSS IT-support på telefon 8715 0933**.

I udgangspunktet antages kun besvarelser til bedømmelse, som er afleveret i rette format/størrelse og inden for afleveringsfristen.

Law and Economics – an introduction to the economic analysis of law

Written exam, winter 2020/2021

Please answer 8 out of the 10 questions.

1.

Explain what the consequences of information overload might be in relation to consumer contracting, and discuss how these consequences can be minimised.

2.

The topic is company law. Give two examples of positive research questions and two examples of normative research questions.

3.

Explain in your own words what an incomplete contract is and give an example of an incomplete contract.

4.

‘Something is rotten in the state of Denmark’, Hamlet said in the famous play. In 2020, many Danish people agree. Two interest groups are each trying to affect current Danish law-making.

- The Association of Danish High School Students (Danske Gymnasieelevers Sammenslutning) is suggesting to adjust the Danish grading system with a 7-point grading scale to the UK grading system with a letter grading scale from A to F.
- Danish anti-vaccine protesters have two goals. The primary goal is to put an end to the Danish childhood vaccination programme. The secondary goal is to diminish the prejudice that anti-vaccine protesters face.

Using arguments based on the public choice theory, discuss which group is likely to have the biggest impact.

5.

Explain in your own words which links you see between IP law and competition law.

6.

A Danish bank is having trouble with bad payers. More than 40 per cent of all debtors do not pay on time, and more than half of them need more than one reminder notice. This practice is becoming increasingly expensive; in terms of both administrative costs and legal fees for the debtors whose lending agreements are sent to the insolvency court.

The bank is approaching you for advice on how to proceed. Senior management is in doubt whether to approach this issue from a law and economics perspective or a behavioural law and economics perspective.

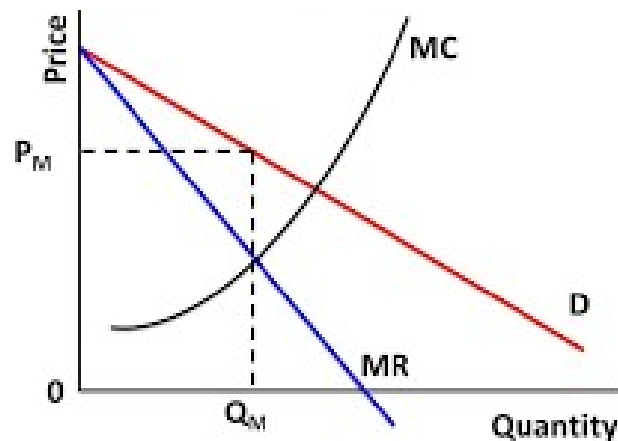
Recommend one of the two approaches to the bank and argue why you think they should do as you propose.

7.

Conflicts of interest are an inherent part of agency theory. Explain why such conflicts of interest arise and give two examples of possible conflicts of interest within a Danish company listed on NASDAQ OMX Copenhagen.

8.

Explain in your own words why a lack of competition leads to 1) higher prices, and 2) lower product quality.



9.

Consider the following fictional scenario: Scientists expect to be a few years away from creating a vaccine against all kinds of cancer. This would resolve massive health and economic issues throughout the world. In order to ensure that the entire world's population will benefit from the vaccine, the WHO is considering proposing to pharmaceutical companies that they waive their intellectual property rights.

Using the IP law and economics approach, consider whether the future vaccine should be patent-free. Argue both for and against.

10.

The phasing-out of coal as an energy source is an important step towards global green energy supply. In this process, CO₂ quotas are issued to national power stations. Some power stations do not use their quotas fully, whereas others struggle to stay within their quota.

Explain in your own words the situation above using public choice theory, and suggest a solution to the power stations which struggle to stay within their quota.

Remember to include your synopsis in your final upload.