GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR
Course: **Introduction to Law and Economics**
Semester- IV (Batch: 2019-24)
End Semester Online Examination: July-August 2021

Date: 08th August, 2021
Duration: 8 hours   **Max. Marks: 50**
Instructions:
- The respective marks for each question are indicated in-line.
- Indicate correct question numbers in front of the answer.
- No questions or clarification can be sought during the exam period, answer as it is, giving reason, if any.
- You are required to formulate your own examples.
- Illustrate diagrams wherever relevant. Demonstrate with data wherever applicable.
- Word Limit: 5 Marks: 300-350 Words.

Attempt Any Five	**Marks**

Q.1   Based on the theories of Economics of Regulations: (5X2= 10)
   a) Examine the economic rationale for deregulation in light of recent examples from India.
   b) Enumerate the limitations of treating Regulations as an answer to Market Failures.

Q.2   Based on Cardinal Utility Theory: (5X2= 10)
   a) Apply the Marshallian demand Analysis to the Market for Crime.
   b) Examine the efficiency of punishments in light of elasticity of demand.

Q.3   Based on the Economic Analysis of Contracts: (5X2= 10)
   a) Explain efficient contract remedies to the contractual disputes on account of Covid 19 Pandemic.
   b) Apply the Compensation Principle in Ordinal Utility Analysis to Detrimental Reliance.

Q.4   Based on the Economic theories of Corporate Law: (5X2= 10)
   a) Apply the Coase Theorem to the important decision making of a corporation.
   b) Discuss the Nexus of Contract Approach theory of the firm and the Information Asymmetry theory to corporations.

Q.5   Apply the Expected Utility Theory to: (5X2= 10)
   a) Determining Insurance Premium for risk averse individuals.
   b) Determining the efficacy of severity and certainty of punishment on risk averse individuals.

Q.6   Answer the following: **(Any Two)**   (5X2= 10)
   a) Apply Agency Game Theory to a fortunate and an unfortunate contingency arising from a contract.
   b) Apply Marginal Utility Theory to Auto Theft Legislation
   c) Apply Marginal Utility Theory to Product Liability.

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