

**GUJARAT NATIONAL LAW UNIVERSITY  
GANDHINAGAR**

Course: **Introduction to Law and Economics**  
**Semester- IV (Batch: 2021-26)**

**End Semester Examination: May 2023**

**Date: 13<sup>th</sup> May, 2023**

**Duration: 3 hours**

**Max. Marks: 50**

**Instructions:**

- Read the questions properly and write the answers in the given answer book.
- Do not write anything on the question paper.
- 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.
- Illustrate with diagrams, equations and matrices wherever applicable.

Answer <b>any five</b> of the following questions.		<b>Marks</b>
Q.1	Based on Economics of Regulations: a) Examine the economic rationale for deregulation in light of recent examples from India. b) What are the differences in case of over estimation of the marginal abatement costs in case of pollution tax and emission license system.	(5x2= 10)
Q.2	Based on Cardinal Utility Theory: a) Derive the equilibrium price and its consequence in case of MSP. b) Differentiate between movement along the demand curve and shift in the demand curve for crime.	(5x2= 10)
Q.3	Based on the Economic Analysis of Contracts: a) Apply Coase theorem in case of specific performance being awarded by the Court. b) Apply the Compensation Principle in Ordinal Utility Analysis to Detrimental Reliance.	(5x2= 10)
Q.4	Based on the Economic theories of Corporate Law: a) Apply economic concepts to examine any four important features of Corporate Law. b) Apply game theory to analyze the agency cost problem in Corporate Law.	(5x2= 10)
Q.5	Explain efficient remedies in contract by applying Indifference curve analysis in the Hawkins v. McGee Case (1929)	(10)
Q.6	Explain Game theory, Nash Equilibrium and formation of Cartels. What measures are taken to address the problem?	(10)
Q.7	Explain the convergence between Neo Classical Economics, Rationality analysis, Incentive Analysis and Law and Economics with the help of two examples.	(10)
Q.8	Define contract law based on Law and Economics and explain how it changes the strategies of players.	(10)

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