

**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

Course: Introduction to Law and Economics
Semester-VI (Batch: 2014-19)

Mid Semester Test: Feb-Mar. 2017

Date: 4th March, 2017

Duration: 2 hours

Max. Marks: 30

Instructions:

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write any thing on the question paper.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.

Answer **any six** of the following questions in brief
along with diagrams, wherever applicable.

Marks
(6x5=
30)

- Q.1 Explain profits from bargaining under three legal rules of, Polluter's right, Pollutee's right to damages and Pollutee's right to injunction.
- Q.2 Explain the significance of "Threat value" in determining bargaining in market and non market transactions.
- Q.3 Explain the relation between Self Insurance and Cyber insurance in terms of substitution effect. Discuss the policy implications of this analysis.
- Q.4 Explain the Static Inefficiencies and Dynamic efficiencies created by the granting of patents. Discuss the policy implications of the same.
- Q.5 Discuss the liability system as an exchange system in terms of institutions and rules governing the institutions.
- Q.6 In what circumstances would the standards of self-protection adopted by a firm result in maximising insurance coverage.
- Q.7 Explain the Normative Coase and Hobbe's theorem with relevant illustrations
