

I. Long Essay. Do only 4. They are worth 20 points each for a total of 80. When there is the possibility of illustrating your answer with a diagram, or a chart, it would be a great idea to do so.

1. Coase question: There is a cattle rancher and a farmer, and the cows of the former roam over to the land of the latter and eat his crops. How would a Coasean judge rule, when the farmer sues the rancher? Assume both a zero and high transactions cost world. The economic statistics are as follows: The cows eat \$500 worth of crops. The cost of outfitting the cows with a long leash (which will keep them on the rancher's land) is \$300. Please note by a "B" or a "G" whether the outcome is "bad" or "good" for Coase.

2. Summarize Block's critique of Katz on blackmail law.

3. What is Spooner's analysis of the legal status of the U.S. Constitution?

4. Write a descriptive book review of Frederic Bastiat's The Law.

5. Give Robin Molloy's views of the law of implied warranty of habitability; what is Block's critique?

6. Summarize Rothbard's chapter 8: "Welfare and the Welfare State"

7. What are Kinsella's views on intellectual property law?

8. Why does the production possibility curve slope in a downward direction? Why is this curve concave with respect to the origin?

II. IDENTIFICATIONS. Short Essay. Tell me what these are, and their significance. Give examples. Do only 10. They are worth 5 points each for a total of 50.

1. Distinguish between mercantilism and capitalism

2. Restricted entry

3. rent seeking

4. caveat emptor

5. moral hazard

6. compensating differentials

7. What was the point of Block's "wish list"?

8. quid pro quo

9. what is the case against private property rights in views?

10. what is the doctrine of respondeat superior?

11. intestate

12. what is legal positivism?
13. mens rea
14. what is the case for free markets in used human body parts?
15. the economic means vs. the political means
16. distinguish between Marxian and libertarian ruling class theory
17. give a libertarian account of sexual harassment
18. argumentum ad hominem
19. What is Hoppe's "argument from argument"?
20. How did the Law Merchant (Law of the Sea in medieval times) treat salvaged boats?
21. Distinguish between positive and negative obligations
22. ad coelum doctrine
23. zero sum game

### III. Matching; worth 20 points

Match the items in list I with that of list II.

#### I.

1. James Buchanan
2. John Kenneth Galbraith
3. Guillermo Yeatts
4. Paul Krugman
5. Erich Mattei
6. John Locke
7. Ayn Rand
8. Ragnar Danneskjold
9. Walter Block
10. MESTA

#### II

- a. Massey Ferguson tractors
- b. criticized the anti sweatshop movement in the U.S.
- c. criticized Coase and Demsetz on private property rights
- d. Atlas Shrugged
- e. liberation of stolen property
- f. the government allows other people to graze their cows on your land
- g. Public Choice
- h. critic of the free enterprise system
- i. argued that non profit charities are part of the free enterprise system
- j. homesteading justifies ownership of land