

Read the assignment carefully before you start

[Literature](#), [Russian Literature](#)



Principles of economics I chose Law and Economics. The deals with Contracts and Corporations. It addresses basically how firms are structured and reasons as to why corporate form rules, how corporations are administered and the alterations that result, when firms borrow and how they transact with financial misery and bankruptcy. The course will present basic legal doctrines in corporate law, contract law, debtor-creditor law, and bankruptcy, and use economic models to analyze whether and when these doctrines promote economically efficient behavior and economics emphasize that markets are more efficient than courts. Law and economics is more likely than other branches of legal examination to use empirical or statistical methods to measure these responses to incentives. Law and economics shares with other branches of economics the supposition that individuals are rational and respond to incentive

My choice was also based on the economic principle of how people respond to incentives. As people make decisions by comparing costs or benefits, their behavior might change when the costs or benefits vary. This is a characteristic of law and economics as it emphasize on incentives and people's responses to these incentives. For instance, the resolution of damage payments in an accident, law is not to reimburse injured victims, but rather to offer an incentive for potential injurers to take effective cost-justified insurances to evade causing the accident.

In sum, law and economics will enable me to minimize on the financial frauds such as bankruptcy, creditors-debtors misery. Specializing in law and economy will assist in intensifying contracts and corporations in order to gain efficiency in any branch of economics. That is to say, law and economy

crosscuts all the branches of economy.

Work Cited

Lindauer John. . Economics and Politics Online Course. New York: Prentice hall. 2013, Print.