UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2021

Course: Economics of Crimes
Program: B.A.,LL.B.CL/LL/Cl,
hrs. Course Code: 3015

Semester   : V
Duration   : 03
Max. Marks: 100

Instructions:

SECTION A

(Type the answers in test box)

5Qx2M=10 Marks

Objective Type Questions/Definitions/fill in the blanks

Q. No.		Marks	CO
1	What is rational choice theory?	2	CO1
2	Differentiate between economic crimes and economics of crime.	2	CO1
3	What is positive and normative analysis of law?	2	CO1
4	What is efficient crime?	2	CO1
5	What is Lombroso's theory of crime?	2	CO1

SECTION B

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(Conceptual based question)   4Q x5M=20 Marks

Q. No.		Marks	
1	Under the economic approach to crime, what does below equation holds: $$((1-p)u_{s}+pu_{f})>\underline{u}$$ where (u_s) represents the expected utility when he successfully commits the crime (which may include both pecuniary and non-pecuniary gains), (u_f) his expected utility when he commits a crime and receives punishment (so this is likely to be a negative number), and p represents the probability of punishment. $\underline{u}$ represents his level of utility when he does not commit the crime.	5	CO2
2	Compare and contrast the economics of crime's theory with other popular theories of crime	5	CO2
3	Paul Simon, he defined economics as "the study of how men and society choose, with or without the use of money, to employ scarce productive resources which could have	5	CO2

alternative uses, to produce various commodities over time, and distribute them for consumption, now and in the future among various people and groups of society". In the light of given statement, examine the relationship of economics and crime and also, how economic analyses can help us better understand crime problem? Elucidate with illustrations.

4	Discuss the rational addiction theory in relation to economics of drug crimes with suitable examples.	5	CO2

SECTION-C

(Scan and upload)

(Descriptive/Analytical Questions)

2Qx10M=20 Mark

Q.No.		Marks	CO
1	It is often said that severity of punishment without the credible threat of being detected and convicted is the sound of one hand clapping. In view of this, critically examine the optimal trade-off between the certainty and severity of punishment as an efficient fine system under economics of crime? **Problem:** Consider two law enforcement schemes, A and B, to control double parking. In A, the fine (F) for double parking equals Rs.20 and the probability of apprehension and conviction (P) equals .5, and in B, F equals Rs.200 and P = .05. Now, analyse and evaluate the deterrence value of such schemes for offenders' belonging to different categories of risk preferences such as risk neutral, risk aversion and risk loving.	10	CO3
2	Critically analyse the issues, challenges and prospects of privatization of prison system of India.	10	CO2

SECTION-D

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(Case Studies/ Application Based Questions)   2Qx25M =50 Marks

Q.No.		Marks	CO
1	Two robbers, Jackey and Bobby, are contemplating committing separate armed robberies (robbing fancy stores with a gun while people are in the store). Jackey and Bobby both believe that there is a 75% chance that they will be able to steal Rs.400,000 if they rob the stores. They plan to hide the money right away, so even if they are apprehended, they will be able to keep the money. However, to commit the robbery, each will have to buy a Rs.100 gun. Jackey believes that the probability he will be caught and convicted is 10%. If Jackey is caught and convicted, he will serve 4 years in prison. During that 4 years, he will miss out on earning Rs.400,000 in legitimate income and he will miss being with his	25	CO3

friends and family which is worth Rs.1,600,000 to him. Moreover, a first-time criminal conviction will reduce Jackey's future earning potential after he gets out of prison. The present value of the decrease in his future earnings is Rs.1,000,000. Because Bobby has a known history of armed robbery, he believes that the probability that he will be caught and convicted is 25%. If Bobby is caught and convicted, he will serve 10 years in prison (because he is a repeat offender). During that 10 years, he will miss out on earning Rs.400,000 in legitimate income and he will miss being with his friends and family which is worth Rs.1,000,000 to him. Since he is a repeat offender, the additional conviction will not worsen his future job prospects. In fact, prison may improve his future job prospects because he will be able to network with other criminals. Bobby thinks that he will make more money with his new criminal friends after the 10 years in prison than he would have made if he hadn't gone to prison. The present value of the additional income is Rs.300,000. Against this backdrop, what are the expected costs and benefits that Jackey faces? If Jackey is behaving rationally, would he rob the store? What are the expected costs and benefits that Bobby faces? If Bobby is behaving rationally, would he rob the store? Answer with reason.

2.	Many studies during the past few decades have sought to determine whether the death penalty has any deterrent effect on homicide rates. Researchers have reached widely varying, even contradictory, conclusions. Some studies have concluded that the threat of capital punishment deters murders, saving large numbers of lives; other studies have concluded that executions actually increase homicides; still others, that executions have no effect on murder rates. Commentary among researchers, advocates, and policymakers on the scientific validity of the findings has sometimes been acrimonious. Against this backdrop, critically assess and evaluate whether the available evidence provides a scientific basis for answering questions of if and how the death penalty affects homicide rates.	25	CO4