

[DOWNLOAD] Efficient breach of contract - the role of damage measures

# Efficient breach of contract - the role of damage measures

*David Haag*

*audiobook / \*ebooks / Download PDF / ePub / DOC*



 Download

 Read Online

#4182989 in eBooks 2007-06-14 2007-06-14 File Name: B007PS901A | File size: 63.Mb

**David Haag : Efficient breach of contract - the role of damage measures** before purchasing it in order to gage whether or not it would be worth my time, and all praised Efficient breach of contract - the role of damage measures:

Seminar paper from the year 2007 in the subject Business economics - Law, grade: 1,0, Otto-von-Guericke-University Magdeburg (Faculty of Economics and Management), course: Law and Economics, 30 entries in the bibliography, language: English, abstract: 1. Introduction On the level of economic transactions, contractual relations have emerged over time to govern behavior of people involved in doing business in order to promote the efficient allocation of scarce resources.1 Thereby, contracts create order, reduce uncertainty or transform uncertainty into risk and thus are basic

premises allowing for the exchange of goods or services.<sup>2</sup> However, depending on the nature of the economic transaction, parties involved in a contractual agreement may prefer to grant breach of contract if it proves to be efficient compared to performing the contract throughout duration. Hence, in order to guarantee the mutual benefit and thus, in fact, pareto efficiency of breach of contract, contractual settings have to be designed sophisticatedly to account for situations, where a contractual party may want to default and breach a contract. Based on a paper by Steven Shavell,<sup>3</sup> in the following, damage measures shall be critically discussed as efficient coordination mechanisms of interests in the event of breach of contract. First of all, the need for contractual settings in order to promote efficient breach of contract given incomplete contingent contracting will be outlined. Then, a light shall be shed on the model of damage measures as used and introduced by Shavell. Thereafter, Shavell's approach shall be critically discussed and some further implications will be given.