II. Review Questions

1. Several years ago, the Congress passed a law that imposes a penalty of an additional 5 years in jail for anyone convicted of using a gun in the commission of a crime. In a subsequent legal case, a man who was driving his car down a city street was pulled over on suspicion of drug trafficking. The police found approximately one ounce of cocaine in the front seat of his car. When they searched the back seat of his car, they found more cocaine and a loaded gun hidden underneath a coat. The man was charged with possession of a controlled substance and using a gun in the commission of a crime. He was found guilty on both counts and sentenced to jail for 15 years; ten years for the cocaine charge and 5 years for the weapons charge.

a) According to the theory of crime developed in the text and class, did the man commit a crime insofar as the second charge (use of a gun in the commission of a crime) is concerned? Why or why not?

_The facts that the gun was loaded and there was cocaine in the car as well would suggest there was intent to use the gun should the need arise. Combine this with the very real threat to public health and safety that arises from the combination of drugs and lethal weapons and it seems rather clear there was a crime._

b) Assume prior to the enactment of the new law available resources were being allocated cost effectively between severity of punishment and certainty of punishment. Assuming the Congress did not authorize any new funds to cover the costs of the new law, how would this affect the cost effectiveness of the allocation of resources between the two aforementioned activities? In addition, what should we expect to happen to the level of deterrence that is achieved in the wake of this new law relative to the level of deterrence achieved prior to the law’s enactment?

_The problem here is the lack of any new funds to support administration of the new law. Applying the new law would undoubtedly increase the number and duration of people in prison, requiring that funds be diverted away from certainty-related efforts. Assuming no change in the relative prices of certainty and severity, this would result in a cost-ineffective allocation of resources between the two activities. Because cost effectiveness is a necessary condition for economic efficiency we can conclude the result would be economically inefficient as well._

2. No answer provided.

3. Use basic economic principles to explain how each of the following would result in a decrease in crime.
   a) An increase in the number of police in a city.

   _An increase in the number of police officers increases the likelihood that a criminal will be caught and punished. This in turn increases the likely cost the person who commits a crime will incur. Holding the benefit from the crime constant, it is then reasonable for the rational person to engage in less crime._

   b) Increased reliance on prisons to punish criminals.

   _An increased reliance on prisons to punish criminals has the same effect as an increase in the number of police in the city. In this case, the expected cost to the criminal is increasing because the cost associated with punishment is greater. The same conclusion applies._