Course Details

There will be three exams. The first will be early in October; the last will be during the final's period. Each of the exams will cover 1/3 of the course material. Everyone must take the last exam, but each student has the option of dropping their worst grade on (or not taking) one of the first two exams. If you choose to do this, then your grade on the last exam will constitute 37.5% of your course grade and your grade on the best of the first two exams will constitute 37.5% of your course grade. Otherwise, the grade on each of the three exams will constitute 25% of your course grade. If you take all three exams, I will choose the option that maximizes your grade. I do not give make-up exams.

Review questions will be handed out before each exam.

There will be a term paper (5-10 pages) which will be 25% of your grade. Choose some natural resource problem or environmental problem and evaluate it in economic terms. For example, choose a particular environmental market failure, explain why the market failed, and suggest policies for improving the situation. The intent of the paper is to get you to apply the economic theory that you have learned to a "real world" natural resource problem that you find interesting. Some interesting papers in the past have been on such topics as: "Do We Really Need Bighorn Sheep?": "The Economics of Whaling": "The Economics of Outer Space": "Recycling": "The Love Canal": "The Harp Seal Hunt": "Geothermal Energy": "Petroleum Regulation": "Genetic Engineering": "Severance Taxes": "Coal": "Lead": "Wilderness Management": "Boulder Mountain Parks": etc. (I have a file of some of the old papers in my office).

- Discuss your topic with me before you write the paper.
- The paper must be turned in by 5:00 p.m. on November 29th.

I grade on the following scale

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\begin{align*}
&\geq 80\% = A \\
&\geq 70\% = B \\
&\geq 60\% = C \\
&\geq 50\% = D \\
&< 49\% = F
\end{align*}
\]

Knowledge of the review questions will be very helpful when taking the exam.

My office hours will be on Tuesdays from 10:45-11:45 and from 1:00-3:00 or by appointment.

Prerequisites

Econ. 407 and Econ. 480/580 (or permission of the instructor).

Textbook

There is no textbook for the course and a lot of material that I will present in class will not appear in any of the readings: the cost of not coming to class could therefore be very high.
There is a packet of readings at Kinkos (hereafter referred to as packet A) which include some journal articles and some newspaper articles. All the readings are required.

I. An Introduction to N R Economics

II. An Introduction to Renewable Resources: Fishery Economics and the Common Property Problem
   4. Oyster article in the WSJ (Packet A).
   5. Scallon article in the CSM (Packet A).
   6. Article on Salmon in the WSJ (Packet A).
   7. Article on Deforestation in the OD (Packet A).

III. Discounting and Present Value: A Mathematical Review
    1. Chiang, Fundamental Methods of Mathematical Economics, 3rd edition, chapter 10 (pp. 280-294 only) and chapter 13 (pp. 452-459 only), (Packet A).

IV. Welfare Economics
    1. My lecture notes on welfare economics (Packet A).
    2. Letter from the Daily Camera (Packet A).
    3. Article on the Local Mill in the OD (Packet A).
    4. Article on White Rocks in the OD (Packet A).
    5. Article on Amateur Ecologists in the WSJ (Packet A).
    6. Article on Smoking in Business Week (Packet A).

V. Extinction
    1. Review the readings from Section II.
    2. Article on Swans in the WSJ (Packet A).

VI. Portfolio Theory as Applied to Fish, Trees, and Nonrenewable Resources
    1. Lecture notes on portfolio theory (these notes need to be rewritten; if I get them rewritten before we start this section I'll make up a packet B for Kinkos.
    5. Current Issue of the WSJ.

VII. Conservation
    1. Reread Herfindahl, "What is Conservation?"
    4. Article on Indian Peaks in the OD (Packet A).