Economics 4545  
Environmental Economics  
Spring 1997

Dr. Nicholas Flores, Economics 114  
Phone: 492-8145  
Office Hours: M, 2-3; W, 10-11; and by appointment

Location: Educ 155  
Meeting Times: MWF, 11:00 - 11:50 p.m.

Textbook: *The Economic Approach to Environmental and Natural Resources*, James R. Kahn

There will also be supplemental readings (to be announced).

Course Objective

This course will focus on the application of economic principals to address environmental and related natural resource allocation problems.

Prerequisites

Simple analytical models will be used throughout the course as a means of simplifying the topic at hand. Students should be comfortable with basic economic models of optimization (utility and profit maximization). **Some calculus will be required.** Be ready and willing to participate in class. The best classes are those in which you are an active participant. If you have an example or insight to share with the class, by all means *speak up!* Much can be learned from our interaction as a group. This process will be encouraged and sometimes required.

Class Format

There are six basic components to the course.

1. Lecture: Lectures will be as interactive as you make them. I will encourage participation by calling on you and hopefully you will at times desire to share your own insights and experiences.

2. Discussion: I will provide you with case studies/readsings and then you will be required to verbally answer questions and discuss these readings with me and your fellow students.

3. Briefs: In preparation for discussions, you will prepare word-processed briefs of each reading that intelligently summarizes the content of the reading in two pages or less. Briefs will be collected at the end of the discussion period and graded.

4. Homework: You will receive regular homework assignments. The homework questions will familiarize you with the types of questions that will appear on tests and quizzes.

5. Quizzes: There will be regular quizzes that will persuade you of the value of keeping up with the material.
(6) Midterms & Final: Two in-class midterms and a final will be given on the dates noted below. Make-up exams will not be possible for the midterms. If you have a legitimate and verifiable excuse, test weighting can be adjusted. Otherwise missing a midterm will result in a zero for the midterm that was missed. The final is mandatory. Failing to write the final will result in an F.

Course Evaluation

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<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Homework</td>
<td>10%</td>
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<tr>
<td>Quizzes</td>
<td>5%</td>
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<tr>
<td>Discussion</td>
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<td>Briefs</td>
<td>15%</td>
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<td>Midterm I</td>
<td>15%</td>
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<td>Midterm II</td>
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<td>Final</td>
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Attendance Requirement

Daily attendance will be taken beginning the second class meeting. In order to receive a passing grade in the course, you must attend at least 80% of the lectures. You cannot miss more than 6 lectures.

Policy Regarding Academic Dishonesty

Academic dishonesty will not be tolerated and will result in a course grade of F and a reporting of the incident to academic affairs.

Course Overview

Part I Theory of Environmental and Resource Economics

Chapters 1 through 5 in Kahn. Environmental economics is essentially different from other economic fields. Rather than being a study of agents interacting in markets, the primary focus of environmental economics is why markets fail to efficiently allocate environmental and natural resources. The first part of the course will teach you the nuts and bolts of analyzing such problems.

Part II Exhaustible Resources, Pollution, and the Environment

Chapters 6 through 9 in Kahn. This part of the course will examine two specific and often related problems, the use of exhaustible resources and pollution. The classical economic theory of resource extraction will be presented along with more contemporary theory on efficiently controlling pollution.
Part III  Renewable Resources

Chapters 10 through 14 in Kahn. Classical theory of renewable resource use will be presented and then expanded to include non-market, environmental considerations. Topics to be covered include fisheries, forests (temperate and tropical), biodiversity and habitat loss, and water resources.

Part IV  Special Topics

Several lectures will be reserved for special topics to be decided during the semester. Potential topics include sustainable economics, risk assessment, ecological economics, and the economics of natural disasters.

Important Dates

Friday, January 24 - Last day to drop without professor's signature
February 17 - Midterm I
March 21 - Midterm II
March 22 - March 29 - Spring Break
Monday, May 5 - Last Day of Class
Saturday, May 10, 3:30 - 6:30 p.m.- Final Exam