Economics 8535  
Seminar in Natural Resource Economics  
Fall 1997  

Dr. Nicholas Flores, Econ 114, floresn@stripe.colorado.edu  
Phone: 492-8145  
Office Hours: Wednesday 2-4 and by appointment  

Meeting Times: T/TH, 12:30-1:45 p.m.  
Location: Econ 16  

The Course  

Natural resource economics is a field because natural resource allocation problems have two features which distinguish them from most other economic problems - time and the finiteness of the resources themselves. Adding to the problem is the fact that many resource allocation and consumption problems are also major environmental problems. This seminar in natural resource economics will provide an introduction/overview of the basic problems and the relevant literature.  

The success of the course will rely upon your participation, especially discussion. As a seminar course, I anticipate you will read the assigned articles and be ready to discuss them with me and your fellow seminar participants. On a regular basis, students will be asked to give a presentation (in front of the class) that contains an overview of the reading and a brief discussion of the paper's intellectual content.  

In addition to your class participation, you will be asked to develop a research proposal. Using references to the existing literature, the proposal should (1) identify a well-defined research question that has not been answered, (2) develop a relevant hypothesis if applicable, (3) develop a research plan including time-line, and (4) discuss the importance of the proposed research.  

Topics  

Section I - Background and the History of Natural Resource Concern  
Overview - Howe 1 & 2  
History of Natural Resource Concern - Howe 3  
Factors Mitigating Natural Resource Scarcity - Howe 7, Rosenberg  

Section II - Measuring Scarcity  

Section III - Managing Resources in a Temporal Setting  
Fisheries  
Forests  
Minerals  

Section IV - Nonmarket Considerations in Natural Resource Management  

Section V - Sustainable Economics  

Section VI - National Accounts and the Incorporation of Environmental/Resource Values
Evaluative Criteria

Class Participation - 15%
Presentations - 10%
Research Proposal - 35%
Final Exam - 40%

Important Dates

September 5- Last day to drop without professor’s signature
September 10- Last day to drop without being assessed fees and receiving W on transcript
October 8- Last day to drop without petitioning the dean
October 30- Outline of Research Proposal Due
November 27-30- Thanksgiving Holiday
December 9- Research Proposal Due
December 10 (Wednesday)- Last Day of Class
Final Exam- December 16 (Tuesday) 3:30 - 6:30 p.m.
Industrial Organization and Regulation  
Economics 4697  
Fall 1997

Jack Robles  
Email: roblesj@stripe (include "IO" in subject)  
Office: 14C Economics  
Office Hours: MW 3:00-4:00  
Class Time and Place: TuTh 3:30-4:45, Economics 119

Course Description  
Industrial Economics is the study of firm behavior. We will study how firm and industry structure affect the incentives, behavior and performance of firms. We will start with the simplest cases of perfect competition and monopoly. These cases serve as benchmarks and in addition help to illustrate certain fundamental concepts in their simplest form. From this starting point we will move to considering markets where (unlike monopoly) there is more than a single firm (or prospective firm,) and these firms (unlike perfect competition) have market power. This will involve the study of how firms interact with and react to each other. Consequently, I will introduce the fundamental concepts of game theory, which might informally be described as a theory for how economic agents will 'compete' with each other when they are aware of the fact that each agent's actions affect the decisions of every other agent. With these tools we will investigate such questions as: how might a firm prevent other firms from entering a market? How might firms collude to raise prices and increase their profits? What incentives do firms have to from mergers? What are the incentives and effects from research and development?

My emphasis will be on the theory of firm behavior. We will construct models and then use these models to analyze different situations. You will not be expected to derive any mathematical results. However, I will derive some, and I will simply state and explain others. You are expected to understand the models well enough to be able to intelligently discuss these results. Real world cases will be analyzed with regularity, but it will be in the context of the models that have been introduced.
Course Requirements
Final: scheduled Saturday Dec 13, 11:30 AM to 2:30 PM, worth 30 percent.
Midterms: worth 20 percent each.
scheduled (tentatively) Tue (6th week) Sept 30
and Tue (12th week) Nov 11.
Homework: between four and eight problem sets, worth 20 percent.
Attendance: worth 10 percent.

Teaching approach and formula for success
My approach is to give homework which forces you to understand the ma-
terial in the course. Answers to homework problems will generally be some-
where in either the lecture notes or the text book. After I have graded the
problem sets, I will review the answers and attempt to address any misun-
derstanding that I find in your answers. At least fifty percent of the test
question will come directly from the homework. The rest of the test ques-
tions will essentially be questions that could have ended up on the homework,
but for whatever reason did not.
This is the formula for success in my class: come to lecture, take good notes.
I will be lecturing on a good deal of material that is not in the text. If you
do not understand something, come and talk to me. Do the problem sets,
this will force you to think about the material which is the only way to learn,
I will then cover the correct answers, which should address any misunderstandings between us. If you have done this much then you should have no
problem studying for the tests and getting a good grade.

Course Outline
I) Why we care about Industrial Economics (ch 1)
II) Perfect Competition and Monopoly (ch 2)
III) Public Policy Towards Private Enterprise (ch3)
IV) Game Theory
V) The Dominant Firm (ch4)
VI) Oligopoly (ch 5, ch8 pgs 234-240)
VII) Collusion in Oligopoly (ch 6)
VIII) Mergers (chs 9)

Textbook: Stephen Martin, "Industrial Economics: Economic Analysis and
V. Growth in Monetary Economies

Blanchard and Fischer. Chapter 4.


Minor changes in the reading assignments may occur during the semester.