

AERE 519
Resource and Environmental Economics I
Fall 2003

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Course Description: AERE 519 presents theories and methods used in economic research on the environment and natural resources. Major topics include theoretical and applied modeling of economy-environment relationships, the causes and consequences of market failure affecting the flow of environmental services, the design and evaluation of environmental policy instruments, and the valuation of the environmental and natural resource services.

Prerequisites: Economics 502 or an equivalent is essential. Also useful are Econ 500 or an equivalent, and courses on mathematical statistics and/or econometrics.

Evaluation:

<u>Component</u>	<u>Date</u>	<u>% of Grade</u>
Problem Sets	As assigned	0
Research proposal	October 7	
Mid Term	Mid-October	15
Final (cumulative)	Final Exam Schedule	45
Research paper	Last day of class	40

Problem sets will be given approximately every two weeks. Answers will be discussed in class sessions, but working through the problems will be essential for developing the analytical skills that I expect to see displayed in exams and research papers.

The mid-term and final exams will involve some mix of essay questions and problem solving questions.

For your research papers, you will identify an environmental economics question, provide a (brief) survey of relevant literature, and present an original analysis of the problem. The analytical methods may involve graphical or mathematical techniques, but I strongly encourage papers that have an empirical component. The empirical component doesn't have to be highly sophisticated, and it can use simulated data. The paper with tables and references cannot exceed 20 pages and must be typed, double spaced, and in good form. I will base my evaluations of the projects primarily on the scientific quality, but the quality of presentation will also be considered.

You must consult with me before you begin your project. I will not accept papers that have not been cleared by me. I expect a written proposal by October 7th, but please feel free to discuss ideas with me before that date. I may accept your initial proposal or ask for some revisions. In the later case, your final proposal will be due by October 18th.

Text and Readings:

The text book for the course is N. Hanley, J. Shogren, B. White (1997) Environmental Economics In Theory and Practice. Oxford: Oxford University Press. Assigned or recommended readings not in the text can generally be found in 112 Armsby or on reserve for the class in Pattee Library.

