

Syllabus and Course Outline

Session 1: BASIC MICROECONOMICS

Why Study Environmental Economics?

The Basics of Supply and Demand

Efficiency

Marginal Cost and Benefit

Consumer and Producer Surplus

Sources of Inefficiency: Price Floors/Ceilings and Taxes/Subsidies

Assignment: Case study for review in session 2

Session 2: EFFICIENCY AND INEFFICIENCY

Sources of Inefficiency: Price Floors/Ceilings and Taxes/Subsidies

Sources of Inefficiency: Externalities and Public Goods

Case study discussion (applying concepts learnt in session 1 to the case study analysis):
elements of supply and demand, consumer and producer surplus

Assignment: Case study for review in session 3

Assignment: Case to be studied in groups outside class; 4-6 page paper analyzing the issue and solutions, incorporating at least 2 of the concepts covered in class to be handed in a week after the last session.

Session 3: SOURCES OF INEFFICIENCY: EXTERNALITIES AND PUBLIC GOODS; SOLUTIONS

Sources of Inefficiency: Externalities and Public Goods

Pareto Optimality and Property rights

Case study discussion (applying concepts learnt in session 2 to the case study analysis):
impact of taxes on consumer/producer behavior, application of the concept of externalities to the environmental issue in the case study

Assignment: Case study for review in session 4

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Session 4: EXTERNALITIES – SOLUTIONS CONTINUED

Pareto Optimality and Property rights; Coase Theorem continued

Case study discussion (applying concepts learnt in session 3 to the case study analysis):
identify win-win situation/s and analyze how assigning property rights/taxes can
potentially solve the environmental issue in the case study

Session 5: EXTERNALITIES – SOLUTIONS CONTINUED; CASE STUDY: CARBON MARKETS