

**Course Syllabus**

**Instructor**

Chris Armatas  
CHCB 448  
(406) 243-6856  
christopher.armatas@umontana.edu

**Lectures**

Tuesday and Thursday 12:40 pm to 2:00 pm, Forestry Building Room 206

**Office Hours**

3:00-4:30 on Mondays and Wednesdays at my office

**Pre-requisite Courses**

Students enrolling in FOR 320 should have passed ECNS 201s Microeconomics and one of M 115, M 121, M 122, M 151 or M 162 (or equivalents).

**Course Description and Objectives**

In this course you will learn how to apply economics to resource allocation, forest management and policy analysis in a ‘mixed capitalism’ economy at an intermediate level of complexity. I understand that the content of earlier microeconomics studies might be buried somewhere under cobwebs in the back of your mind, hence, the first couple of weeks of the course is designed to quickly remind you of some key economic principles. Please ask questions at any time during class and participate in class discussions.

The objectives of this course include providing you with the knowledge and skills to:

- understand why markets fail to efficiently allocate forest resources in a variety of contexts;
- recommend economic policies to correct market failures;
- be familiar with various non-market valuation techniques and know how to interpret non-market valuation literature; and
- estimate economically optimal forest rotations.

**Academic Conduct**

*All students must practice academic honesty. Academic misconduct is subject to an academic penalty by the course instructor and/or a disciplinary sanction by the University.*

*All students need to be familiar with the Student Conduct Code. The Code is available for review online: [Student Conduct Code](#).*

## Tentative Schedule of Lectures

Week	Lecture content
1	Introduction to forest economics
2	Important microeconomic concepts and principles Demand, supply and market equilibrium
3	Elasticity and production economics Timber supply, demand and pricing
4	Welfare economics Market failure
5	Property rights
6	Government intervention to correct market failure
7	Government intervention to correct market failure
8	Capital budgeting in forestry
9	Capital budgeting in forestry
10	Economically optimal rotation ( <i>Mid-sem exam?</i> )
11	Economically optimal rotation (class and lab)
12	Economic evaluation of silviculture and uneven-aged stands
13	Forest taxation
14	Multiple use forestry
15	Forestry and regional development
16	Methods for evaluating forest management
17	Valuation of non-timber forest products
18	Valuation of non-timber forest products
19	Ecological economics
20	<i>Finals</i> (Monday December 14 <sup>th</sup> , 2015 3:20-5:20pm)

This schedule may be amended if we spend more time than budgeted on particular subject areas and according to interests expressed by the class.

## Course Materials

Class notes are provided in the form of a 'Faculty Pack', available at the university bookstore. These notes are a work in progress and I will provide supplementary handouts from time to time. The notes closely follow the lectures and I strongly encourage you to read them and at least some of the suggested readings listed at the end of most notes. The texts in which most suggested readings can be found are listed below and are available from the reserved materials desk at the Mansfield Library as '2 hour reserve unrestricted', which means you can take the books out of the library and home overnight.

Conrad, J. M. (1999), *Resource Economics*, Cambridge University Press, Cambridge.

Field, B. C. (2001), *Natural Resource Economics: an Introduction*, McGraw Hill, New York.

Grafton, R. Q., Adamowicz, W., Dupont, D., Nelson, H., Hill, R. J. and Renzetti, S. (2004), *The Economics of the Environment and Natural Resources*, Blackwell, Maldon.

Kahn, J. R. (2005), *The Economic Approach to Environmental and Natural Resources (Third Edition)*, Thomson South-Western, Mason.

Klemperer, W.D. (1996), *Forest Resource Economics and Finance*, McGraw-Hill, New York.  
 Pearse, P. H. (1990), *Introduction to Forestry Economics*, University of British Columbia Press, Vancouver.  
 Sedjo, R.A. (2003), *Economics of Forestry*, Ashgate, Aldershot.  
 van Kooten, G. C. and Folmer, H. (2004), *Land and Forest Economics*, Edward Elgar, Cheltenham.

Klemperer (1996), Pearse (1990) and Kahn (2005) are particularly good supplementary sources to the class notes. Mankiw (2004) is an excellent introductory microeconomics text, but any introductory microeconomics text will suffice. Sedjo (2003) is an excellent compilation of the most influential forestry economics papers written to date. Conrad (1999) and Grafton *et al.* (2004) provide more advanced readings and applications in natural resource economics.

**Grading**

Grading scale		
A- 82-85%	A > 85%	
B- 65-70%	B 70-78%	B+ 78-82%
C- 50-55%	C 55-62%	C+ 62-65%
D- 40-43%	D 43-48%	D+ 48-50%
	F <40%	

**Assessment**

Class participation (questions and discussion)	5%
Homework sets (approximately one every week)	25%
Mid-semester exam (about week 8 or 9, but subject to change)	27.5%
Lab (TBA)	15%
End of semester exam (Monday December 14 <sup>th</sup> , 2015 3:20-5:20pm)	27.5%

**Graduate students**

Assessment for graduate students will be negotiated at the beginning of the semester. My preference is for a single more substantive paper worth 25% to 35% of the course. Please see me to discuss topics, length and contribution to course grade.

**Homework**

About once per week a homework set will be handed out that you will have one week to complete. These homework questions may not necessarily be the same as the review questions at the end of each lecture note. Please submit your answers, either hand-written or computer generated, with your name and Griz number clearly displayed. Please submit your homework stapled together, not with several loose pages.

In assigning marks for homework, 50% of your grade is based on effort and 50% on degree of correctness. Therefore, you should pass your homework sets so long as you put in some effort. However, if you hand in homework that is clearly done without effort, it will be graded accordingly. Arrange a time to see me if you require assistance with review questions. Time may be spent at the beginning of classes reviewing questions that the class as a whole found challenging.

If you cannot hand in the homework on time, please see, email or call me before the homework is due or you will be assigned a zero mark for that piece of homework.

### **Exams**

The review questions at the end of each set of lecture notes are a good study guide for exams. There will be a mid-semester exam and a final exam. The end of semester exam will cover all coursework material not covered on the mid-semester exams. If there are circumstances that will prevent you from attending an exam, please see me as early as you can and we will try to arrange an alternative. Except in extreme circumstances, failure to notify me about your absence before the day of an exam will result in a mark of zero for that piece of assessment.

### **Lab**

The lab will take place around the middle of the semester, and it will be worth 15% of your grade. Instructions and guidance will be provided during a lab session.

### **Students with Disabilities Statement**

- [UM's Disability Services for Students Office](#) and [EO/AA office](#) request you consider adding one of the following two statements to your course syllabi:
  - Students with disabilities may request reasonable modifications by contacting me. The University of Montana assures equal access to instruction through collaboration between students with disabilities, instructors, and Disability Services for Students (DSS). "Reasonable" means the University permits no fundamental alterations of academic standards or retroactive modifications.

or

  - The University of Montana assures equal access to instruction through collaboration between students with disabilities, instructors, and Disability Services for Students (DSS). If you think you may have a disability adversely affecting your academic performance, and you have not already registered with DSS, please contact DSS in Lommason 154 or 406 243 2243. I will work with you and DSS to provide an appropriate modification.
- DSS also recommends instructors announce their intent to provide reasonable modifications on the first day of class

### **Student Conduct Code Statement**

- A memo issued by the Provost's Office in 2005 asked that all syllabi include the following statement referencing the Student Conduct Code:
  - All students must practice academic honesty. Academic misconduct is subject to an academic penalty by the course instructor and/or a disciplinary sanction by the University. All students need to be familiar with the [Student Conduct Code](#).
- Please note:
  - The student conduct code gives instructors the right to address plagiarism, but it is a good idea to add to your syllabus a statement more specifically identifying how you will handle plagiarism in your assignments.
  - Section C(1) of the code outlines the process an instructor must follow for allegations of misconduct

- Section E identifies what steps a faculty can take if a student displays disruptive behavior in the classroom

### Grading Option Statement

- At UM, grading options for courses are traditional letter grade only (T); credit/no credit only (CR/NC), or student option/preference (O). The latter means students can choose to take a course either as traditional letter grade or as credit/nocredit. For these letter courses, some students wish to exercise this option at the end of the semester. Some colleges at UM (e.g., CAS) prefer faculty to offer classes as “student preference.” However, most CFC classes are offered Traditional letter grade only. If you offer your class for a letter grade only, you may experience fewer student requests on this issue at the end of the semester if you include the following statement:
  - Please note, this class is offered for traditional letter grade only, it is not offered under the credit/no credit option.
- If you are uncertain how your class is offered, check with CFC’s Office of Student Services (Shonna, Jeanne, or Wendy).

### Course Withdrawal Deadlines Statement

- The CFC Associate Dean would greatly appreciate it if you include a version of the following statement about dropping a class on your syllabus or Moodle site. (The dates are also posted on the [UM event calendar](#).)
- Including this information on your syllabus helps students make decisions in a timely manner and helps avoid end of the semester student frustration (historically there is an upswing of student requests to drop classes the last 2 weeks of the semester for reasons that do not fit “very limited and unusual circumstances” required after the 46<sup>th</sup> instructional day).

#### Important Dates Restricting Opportunities to Drop a Course Spring 2014:

To 15 <sup>th</sup> instructional day	Students can drop classes on Cyberbear	September 15 = last day
16 <sup>th</sup> to 45 <sup>th</sup> instructional day	Drop requires form with instructor and advisor signature, a \$10 fee from registrar’s office, student will receive a ‘W’.	September 16 through October 27
Beginning 46 <sup>th</sup> instructional day	Students are only allowed to drop a class under very limited and unusual circumstances. Not doing well in the class, deciding you are concerned about how the class grade might affect your GPA, deciding you did not want to take the class after all, and similar reasons are not among those limited and unusual circumstances. If you want to drop the class for these sorts of reasons, make sure you do so by the end of the 45 <sup>th</sup> instructional day of the semester.	October 28