Fall 2008
COURSE SYLLABUS
FRS 5253: ADVANCED FOREST ECONOMICS

Instructor: Dr. Sayeed Mehmood
Class Schedule: TBA
Office Hours: Monday 1:00 PM – 4:00 PM; or by appointment
Office Location: Room 206; Forest Resources Building
Phone: 460-1894 (Office); 723-6067 (Cell)
E-mail: Mehmood@uamont.edu
Web Address: http://www.afrc.uamont.edu/mehmoods/

Course Contents:

Forest/natural resource valuation; valuation of amenity resources; supply, demand, and the market equilibrium; costs, revenues, and the concepts of production; environmental economics; regional economics; public choice and the economics of policy-making; limited dependent variable econometrics.

Course Learning Objectives:

Understanding of basic economic theories used to analyze important features of the forestry sector such as resource valuation, product and input prices, forest products trade, and aggregate consumption. Economics of natural resources and the environment, and political economy of forest and natural resources will also be discussed. Active student participation and critical thinking will be strongly encouraged. At the end of the semester, a student is expected to achieve the following.

1. An understanding of the basic economic concepts as it relates to forestry.
2. Ability to value forests using compound interest formulas, and to use financial criteria to compare investment alternatives.
3. An understanding of contingent valuation models for resources not usually traded in the market.
4. Ability to construct simple demand and supply models for the forestry sector.
5. Familiarity with current research in natural resources and environmental economics.
6. An understanding and ability to construct limited-dependent variable econometric models.

Text:

Selected readings comprised of excerpts from texts and articles from scholarly journals.
**Grading:**

Readings: 45%  
Research paper: 45%  
Class participation 10%  

Grand Total: 100%

**A Few Notes:**

The class will meet once a week for class discussion for most of the semester. We will collectively find a suitable meeting time which will typically be a weekday afternoon. You are expected to attend these sessions, unless you have a valid reason to miss a meeting. If you know that you are going to miss a meeting, please let me know.

Although I have specified office hours on Mondays, you are by no means restricted to these times. If you need to see me outside of office hours, you are welcome to call or e-mail and check if I am available, or you may just knock on my door. If I am unable to see you right away, I will set up a time that is convenient for both of us. If you need to reach me in the evenings, please feel free to call me at my cell, but please do so before 9 PM. If I don’t answer, leave a message and I will call you back.

You will be assigned weekly reading(s) (A list of these readings is included in this syllabus). These readings will comprise of published journal articles, or excerpt(s) from a book. You will have **one week** to review the assigned reading(s) and write a 1-2 page summary. It should include an account of what the author(s) tried to accomplish, the methodology used, and the results from the study. Be careful not to copy the “Abstract”, I want to see your reflection (in your own words) on the reading.

You will also be required to write a research paper on a topic to be determined in class. This paper, due at the end of the semester, can be an independent scientific study or a review of scientific literature on a certain area of forest economics. I will be happy to help you as much as I can with the paper. The goal here is not simply to test on whether or not you can write a technical paper, rather it is to help you understand the process involved in economic research.

All materials you submit should be your own. Copying from someone else’s work will not be tolerated and will be dealt with harshly. I reserve the right to penalize one or more letter grades, or even to withdraw the student from the course for such an offence.

Please note that UAM will no longer mail grade reports to all students. You may access your grades through Campus Connect on the UAM homepage, [http://www.uamont.edu/](http://www.uamont.edu/). To have your grades mailed to you, complete the grade request form available in the Registrar’s Office in Monticello or the Student Services offices in Crossett and McGehee.
**Attendance:**

You are expected to attend all meetings. If you are going to miss one, please contact me ahead of time. I would expect you to have a valid excuse (an emergency, for example) for missing a class.

**Professionalism:**

Students in the School of Forest Resources are pursuing courses of study that prepare them for careers as natural resources professionals. Professional education is much more than technical training and encompasses professional resource education as well as general education, social science and humanities courses. Collectively, these subjects constitute professional education.

Since the School is dedicated to professional education rather than technical training, the faculty and staff have certain expectations of themselves and of SFR students with regard to professionalism and personal conduct in their preparation for careers in the natural resource professions. Thus, SFR students and faculty are expected to exhibit conduct and attitudes appropriate to professionals.

Conduct and attitudes appropriate for professionals include, but are not restricted to,

1. The UA-M Code of Student Conduct published in the University catalog,
2. Attitudes appropriate for resource professionals of the 21st Century:
   a. Respect for others and for their ideas;
   b. Appreciation for ethnic and gender diversity in the workplace;
   c. Sensitivity to environmental quality;
   d. Adherence to professional ethics, e.g. the Society of American Foresters Code of Ethics.

Instructors reserve the right to reduce student grades or withdraw the student from class for unprofessional behavior. Disorderly conduct or disruptive behavior will not be tolerated in the School of Forest Resources. Such conduct may result in dismissal from classes.

**Tobacco Use:**

Use of tobacco of any kind in any UAM building is strictly prohibited.

**Students with Disabilities:**

It is the policy of the University of Arkansas at Monticello to accommodate individuals with disabilities pursuant to federal law and the University’s commitment to equal educational opportunities. It is the responsibility of the student to inform the instructor of any necessary accommodations at the beginning of the course. Any student requiring
accommodations should contact the Office of Special Student Services located in Harris Hall Room 120; phone 870 460-1026; TDD 870 460-1626; Fax 870 460-1926.
COURSE OUTLINE

August 27, 2008:

Discussion topics
A. Why study forest economics?
B. The Economic way of thinking
C. Review of basic economic concepts
D. Review of basic mathematical concepts

Assigned reading


September 3, 2008:

Discussion topics
A. The concept of value
B. Compound interest concepts
C. Criteria for Valuation

Assigned reading


September 10, 2008:

Discussion topics
A. Non-market valuation

Assigned reading


**September 17, 2008:**

**Discussion topics**

A. The concept of utility  
B. Demand and supply  
C. Derived demand  
D. Market equilibrium

**Assigned readings**


**October 1, 2008:**

**Discussion topics**

A. The production function  
B. Optimizing behavior and profit maximization  
C. Input demands  
D. Cost functions
Assigned readings


October 8, 2008:

Discussion topics
A. Property rights and externalities
B. Resource types and use
C. Economics of pollution

Assigned readings


October 15, 2008:

Discussion topics
A. The input-output model
B. An introduction to IMPLAN

Assigned readings

October 22, 2008:

Discussion topics
   A. The public choice model
   B. Economics of the law

Assigned readings


October 29, 2008:

Discussion topics
   A. The basic concept
   B. Logit and Probit models

Assigned reading:


November 12, 2008:

Discussion topic:
   A. Wrap up and discussion on paper topics