UG Course Outline
EC3317: Environmental Economics
2019/2020

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Aims
EC3317 aims to introduce students to environmental economics. The main concepts include efficiency, externalities public goods, property rights, cost-benefit analysis, and regulation.

Course Objectives
Successful students will:

- Understand how economic methods can be applied to environmental issues facing society
- Understand difficulties arising in using economic analysis in environmental policy design
- Solve and manipulate a variety of diagrammatic and algebraic models in environmental economics, and critically evaluate these models
- Be familiar with a number of real world environmental policy problems and understand how economic analysis has been applied to their solution

Course Delivery
The course is delivered through a weekly two-hour lecture, and a weekly one-hour seminar
Assessment and Coursework

- A two-hour written final exam (weight 75%)
- A 50-minute midterm exam (weight 15%)
  - The midterm exam will test on the material that was taught before the reading week
- Two problem sets (weight 10%)
  - Compliance (5%): Full compliance will award 5 marks. Students missing 1 submission will obtain 2 marks and students missing 2 or more will obtain 0 marks.
  - Performance (5%): Two submissions (at random) graded on a Pass/Fail scale. Two Pass grades: 5 marks. One Pass grade: 2 marks. Zero Pass grades: 0 marks.
  - The problem sets need to be submitted in the beginning of each seminar.

Required Materials

- Course notes and problem sets available on Moodle

Further Reading

Schedule

The schedule is tentative and subject to change.

Week 01
• Introduction (Kolstad Ch. 1-2)

Week 02
• Making Societal Choices (Kolstad Ch. 3)

Week 03
• Welfare and Markets (Kolstad Ch. 4)

Week 04
• Public Goods and Externalities (Kolstad Ch. 5)

Week 05
• Decision Making and Environmental Protection (Kolstad Ch. 6)

Week 06
• Reading Week

Week 07
• Pricing Emissions (Kolstad Ch. 12)

Week 08
• Midterm exam in the lecture. Seminars still on.

Week 09
• Tradable Permits and Regulation with Adverse Selection (Ch. 13 and 16)

Week 10
• Development and Growth (Kolstad, Ch. 20)

Week 11
• Regulation with Moral Hazard and Dynamics/Revision (Kolstad, Ch. 17)