Two Economic Analyses

Two 150-word essays are due over the course of the semester. Find an article in a newspaper or periodical or on the Internet dated after September 1, 2010 discussing a current environmental issue. Write a brief analysis (no more than 150 words) applying some substantive economic concept or principle discussed in class and stimulated by something stated in the article. I am looking for economic analysis, not a book report. With your formal training in undergraduate economics, I want you to take the article one-step beyond what the author wrote for a general audience. Submit your analysis with a copy of the article attached. Each will be graded on a zero to five point scale and, therefore, the two analyses will be important determinants of your final grade.

The due dates are February 26 and April 2. No extensions will be granted. No essays will be accepted late. They are due at the beginning of class on the due date. Each essay is worth a maximum of five (5) points toward the final grade.

Academic Integrity

Boston College values the academic integrity of its students and faculty. It is your responsibility to familiarize yourself with the university’s policy on academic integrity: http://www.bc.edu/integrity. If you have any questions, ask me. Violations of academic integrity will be reported to your class dean and judged by the academic integrity committee in your school. If you are found responsible for violating the policy, penalties may include a failing grade as well as possible probation, suspension, or expulsion, depending on the seriousness and circumstances of the violation.

Course Readings

All assigned readings, other than the assigned chapters in the textbook, will be distributed in class at least one class date before the reading will be discussed in class. Given the real-time nature of issues in Environmental Economics, additional readings will be assigned and distributed throughout the semester. Students are responsible for obtaining copies of all readings either in class on the distribution dates or from classmates.
**Final Exam or Term Paper**

You can choose between either taking a traditional final exam or submitting a term paper to fulfill the final exam requirement.

The final exam is scheduled for 9:00 am Saturday May 9 and will be cumulative—that is, it will cover material spanning the entire course. The exam format will be like that of the two midterms.

The alternative term paper is due in class on the last day of class, April 30. No paper will be accepted late. Should you be writing a paper and miss the submission date for any reason, you will have to take the final exam on May 9. The term paper must be no less than 10 and no more than 12 pages in length including graphs. The text is to be double-spaced 12-point Times font. Use one-inch margins. The paper must present an economic analysis (supported with appropriate graphs) of some current environmental problem and offer an economics-based solution to the problem. You must evaluate your proposed solution against what you consider the next-best economic solution. Do not present a trivial second-best option. Your grade will depend in part on your analysis of the second-best solution.

**REMEMBER:**
**TERM PAPER DUE IN CLASS ON LAST CLASS DAY**  
April 30

**OR**

**FINAL EXAM**  
May 9, 9:00 am

**Grading**

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COURSE CALENDAR

THEORY

I. Introduction Jan 15
II. Terminology of Environmental Analysis Jan 20
III. Microeconomic Theory: Traditional Market Analysis Jan 22-27
IV. Microeconomic Theory: Market Failure/Public Goods/Externalities Jan 29-Feb 5

FIRST MIDTERM (45 minutes) Feb 10

V. Traditional Solutions Feb 10-12
VI. Economic Solutions Feb 17-24

POLICY

VII. Risk Analysis Feb 26
VIII. Benefit-Cost Analysis Feb 26
A. Measuring Benefits
B. Measuring Costs Mar 10
C. Decision-Making Using Benefit-Cost Analysis Mar 12

SECOND MIDTERM (75 minutes) Mar 17

APPLICATIONS

IX. Air Pollution Mar 19
A. Evolution of U.S. Policy
B. Mobile Sources: Case Study of Autos Mar 24
C. Stationary Sources Mar 26
D. Case Study of Electric Utilities Mar 31
E. Global Warming: Greenhouse Gases Apr 2-14

X. Water Pollution Apr 16-21

XI. Municipal Solid Waste Apr 23

XII. Equity Issues: Domestic and Global Apr 28-30
SYLLABUS

THEORY

I. Introduction

II. Terminology of Environmental Analysis
   Chapter 1

III. Microeconomic Theory: Traditional Market Analysis
    Chapter 2

IV. Microeconomic Theory: Market Failure/Public Goods/Externalities
    Chapter 3

V. Traditional Solutions
   Chapter 4

VI. Economic Solutions
    Chapter 5
    Macauley, Molly, “Space as the Canonical ‘Global Commons,’” Resources (Spring 2008), pp. 8-10.

POLICY

VII. Risk Analysis
    Chapter 6

VIII. Benefit-Cost Analysis
    A. Measuring Benefits
       Chapter 7

    B. Measuring Costs
       Chapter 8
       Braconi, Frank, “Environmental Regulation and Housing Affordability,” Cityscape, 2 (September 1996), Excerpts distributed in class.

    C. Decision-Making Using Benefit-Cost Analysis
       Chapter 9
APPLICATIONS

IX. Air Pollution
   A. Evolution of U.S. Policy
      Chapter 10
   B. Mobile Sources: Case Study of Autos
      Chapter 11
   C. Stationary Sources
      Chapter 12
   D. Case Study of Electric Utilities
   E. Global Warming: Greenhouse Gases (TO BE MODIFIED GIVEN EXPECTED DEVELOPMENTS DURING SEMESTER)
      Chapter 13 (pp. 247-59)
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X. Water Pollution
   Chapter 14 (especially pp. 274-79) and Chapter 15 (especially pp. 291-96).

XI. Municipal Solid Waste
   Chapter 18

XII. Equity Issues: Domestic and Global
   Chapter 20 (pp. 390-94; 396; and 399-402)