

York University, Department of Economics  
AP/ECON 3340 Environmental Economics (Section M)  
Winter 2017

Instructor: Andrea Podhorsky  
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Office Hours: Thursdays, 10:30 – 11:30 am  
Phone: 736-2300 ext. 77030  
Class Time and Location: Thursdays, 11:30 am – 2:30 pm, R S203

Course Description:

Undue environmental degradation occurs because there are no markets for many environmental goods and services. The objective of this course is to explore this market failure and to discuss and illustrate various policy tools in a variety of applications. The course examines such broad topics as public goods, externalities, limits on information and the potential usefulness of policy tools such as property rights, taxes and subsidies, cost-benefit analysis, and environmental labeling. These concepts are applied to a number of areas including nonrenewable resources, air and water pollution, and solid waste and hazardous substance management. Special attention is given to analyzing the optimal role for public policy.

Course Prerequisite: AP/ECON 1000 or equivalent

Required Course Materials:

Text: Environmental Economics by Charles D. Kolstad, 2<sup>nd</sup> Edition

Teaching Assistant:

A teaching assistant will hold regular office hours to answer questions about course material. The time and location will be announced in class.

Evaluation:

Midterm*	50%	February 16
Final Exam	50%	TBA

\* Note that the midterm is optional however it is highly recommended that you write the midterm. If the midterm is not written, or if the grade on the final exam is greater than the grade that you received on the midterm, the final exam will be given the full weight of 100%.

Important Dates:

Last date to enroll without permission of course instructor	January 18
Last date to enroll with permission of course instructor	February 1
Last date to drop courses without receiving a grade	March 10
Course withdrawal period	March 11 – April 5

Sessional and religious observance dates are available here:

<http://www.registrar.yorku.ca/enrol/dates/fw16>

<http://www.registrar.yorku.ca/enrol/dates/religious.htm>

Policy on Make-up/Deferred Exams and Assignments:

No permission will be given to a student to write an exam prior to the dates given above. No make-up exam will be given for the midterm exam.

Academic Integrity:

Conduct that violates the ethical or legal standards of York University may result in serious consequences. Students should look at the Senate Policy on Academic Honesty. The relevant information can be found in the “New Students’ Handbook” or here:

<http://www.yorku.ca/univsec/policies/document.php?document=69>

Grading:

Final grades will be assessed according to York’s grading scale provided below. The grading scheme and feedback policy is available here:

<http://www.yorku.ca/secretariat/policies/document.php?document=86>

Percentage:	Letter grade:
90-100	A+
80-89	A
75-79	B+
70-74	B
65-69	C+
60-64	C
55-59	D+
50-54	D
40-49	E
0-39	F

Course Outline:\*

- Week 1: Introduction and Overview Ch. 1, 2
- Week 2: Social Choice: How Much Environmental Protection? Ch. 3
- Week 3: Efficiency and Markets Ch. 4
- Week 4: Market Failure: Public Bads and Externalities; Cost Benefit Analysis Ch. 5, 6
- Week 5: Property Rights Ch. 13
- Week 6: Review
- Week 7: Midterm
- Week 8: Reading Week
- Week 9: Regulating Pollution Ch. 11
- Week 10: Emission Fees and Marketable Permits Ch. 12, 14
- Week 11: Regulation with Unknown Control Costs; Audits, Enforcement, and Moral Hazard Ch. 15, 16
- Week 12: Risk and Uncertainty Ch. 18
- Week 13: Review

\* While supplemental readings may be added during the course of the semester, we will follow the text closely. It is strongly recommended that assigned readings be completed prior to attending class.