

productive resources that have *alternative uses*, to *produce* various commodities and *distribute* them for *current or future consumption* among various persons and groups in society (Samuelson, Paul A. 1976. *Economics*, 10th ed. McGraw-Hill, Inc.) Economics is tool for analyzing systematically the costs and benefits of achieving different societal objectives.

Objectives: There are five main objectives of this course. The first is to apply the principles and methods of benefit-cost analysis to natural resource problems from stand to landscape level. The second is to recognize the techniques for nonmarket evaluation and know the situations when different techniques can be applied. The third is to use quantitative optimization and other economic analytical tools and models as aids in decision-making. The fourth is to explain and interpret economic models and analyses applied to natural resources management in written and verbal communication. The last is to analyze critically, using economics, policies concerning the natural resource management decisions. Therefore, this class is designated as an intensive writing course.

The grade you earn on any homework, term paper, term project, or exam will be based on your ability to demonstrate an analysis level of knowledge. Table 1 illustrates Bloom’s six cognitive levels of knowledge. They increase from the lowest level of definition to the highest level of evaluation.

Note: To demonstrate an analysis level of knowledge, you will have to use definition, comprehension, and application.

Table 1. Bloom’s Cognitive Levels of Knowledge[§]

Cognitive Level	Activities
Define	Remembering facts, terms, concepts, definitions, principles
Comprehend	Explain, predict, interpret, infer, summarize, translate, give examples of the meaning of material to an intelligent person with no formal training in economics, forestry, managerial economics
Apply	Apply, solve, show make use of, modify, demonstrate, compute problems unlike those described in class
<i>Analyze</i>	<i>Breakdown material into component parts to describe, explain, and interpret interrelationships; compare & contrast</i>
Synthesize	Produce something new or original from component parts, design, construct, develop, formulate
Evaluate	Make a judgment based on a pre-established set of criteria, appraise, evaluate, justify, judge

[§]Bloom, B.S., ed. 1956. *Taxonomy of Educational Objectives, Vol. 1: Cognitive Domain*. McKay, NY.

I will provide you with in-class examples and exercises of how this is done. This skill will be very useful in answering exam questions, completing homework assignments, and writing your critical analysis and term paper.

Economic

Terms: You need to understand the jargon and terms that economists use to be able to explain these concepts to an intelligent person with no formal training in economics or forestry economics. Therefore, you are responsible for knowing the definitions of all economic terms; I will not cover these in class. My advice is to create a glossary of economic terms.

Exams: There are 2 (two) midterm exams and 1 (one) final exam. The midterm exams are worth 100 points each and composed of definitions, short answers, and longer answer problems. The final exam is worth 200 points and has the same format as the midterms. In addition to covering the material from the last 5 weeks of class, it will also cover material from the two midterm exams.

Term Paper: The term paper is worth 100 points. The purpose of the term paper is to use the theories and techniques we have discussed to analyze critically at least one (1) article of your choice. More specific information is contained in the term paper assignment handout.

Quizzes: Up to five (5) unannounced quizzes may be given during the semester. Each quiz is worth 20 points. These quizzes are used to help me determine if you are understanding the material presented. In addition, they are used to help you prepare for the examinations.

Homework: Various homework sets will be assigned during the semester. The work you turn in must be done in a *professional manner*. It is advisable to work with the other graduate students in the class when completing homework assignments: however, the final product you turn in must be your own. In other words, do not just copy someone else's answers.

Homework assignments are structured differently than exam questions. This is done on purpose. You have more time to answer homework assignments than exam questions and thus you can spend more time demonstrating an analysis level of knowledge (Table 1). Exam questions will focus primarily on definition and comprehension (Table 1).

Rules for Turning in Homework:

1. As you will be professionals very soon and as a professional you *must* meet deadlines, the complete and compiled homework must be turned in at the beginning of class.
2. Homework is due at the start of class and will be collected by the Graduate Teaching Assistant. If the homework is not turned in at that time it will

considered late by 1 (one) day. **The penalty for turning homework in late is 50% per day for each day late.**

3. No electronic copies of the homework will be accepted.
4. If you turn in homework late, the homework must be physically given to the Graduate Teaching Assistant either during office hours or by appointment.
5. Do not hand in homework to Dr. Wagner.

Plagiarism: If you are caught plagiarizing from any source on any type of assignment (e.g., homework, paper, exam, quizzes, or extra credit), you will receive a grade of zero (0) for that assignment.

Class

Participation: Class attendance is vital – absences, for any reason, do not relieve the student of the responsibility for assignments and lecture materials covered during the absence. Evidence shows that those who attend and participate in class discussions – on average – do better than those that do not. If you encounter a situation beyond your control in which you will be missing **three (3)** or more days of class, you can contact the Office of Career and Counseling Services (110 Bray, 315-470-6660, Fax: 315-470-4728) and they will contact all your instructors for you. Supportive documentation may be required.

Class

Notes: I will use PowerPoint slides to present the material. These slides will also be available on the Blackboard.

Having the PowerPoint slides is not a substitute for coming to class.

I reserve the right to change my PowerPoint slides as I see fit.

E-Mail: I will periodically e-mail you information by using your SU student e-mail address. Therefore, you should check your SU student e-mail.

Stump the

Chump: This is the part of the class where you get to put me in the hot seat. The first part of the assignment is to find a news story or article from the popular press (not an academic journal) that you feel pertains to the study of managerial economics for environmental professionals. Briefly summarize the news story or article. The second part of the assignment is to develop at least one question, based on your reading, as to how economic information could be used to help make better business decisions in the given situation. I must demonstrate how economics information can be used to help make intelligent business decisions given the situation you summarize.

Final Grade: The final grade is based on the following weighting:

Final Exam	20%
1 st Exam	20%
2 nd Exam	20%
Homework & Quizzes	20%
Term Paper	20%
Total	100%

The final grade will be calculated as follows:

Grade	Range
A	100% – 95%
A–	94.999% – 90.000%
B+	89.999% – 86.667%
B	86.666% – 83.334%
B–	83.333% – 80.000%
F	79.999% – 0.000%

Learning

Advice:

This course will require, on average, three to four hours of study three times a week. The course uses material presented previously as a foundation for new material. Therefore, it is ill advised to try to cram for the exams. Work on understanding the definitions of the economic terms and concepts.

General Guidelines for Reading the Text (Adapted from Dr. Stehman)

1. Focus, you only want to go through this once, so eliminate distractions. If you are trying to read while watching TV and you know that you really can't do both, then postpone one activity until later.
2. Make it active: have your calculator, pen or pencil, and paper handy. Don't just read it like you would a novel (it obviously isn't a novel). Copy definitions and formulas, calculate examples, and interpret results.
3. Read the examples and descriptive material for motivation. Why do the authors want you to know about this? Do they convince you that this is important? Are there related examples you can think of that are more relevant to what you care about?
4. When you encounter a formula, copy it down. Repetition helps make the notation and formulas familiar. Write a word or words to indicate what this formula represents (e.g., Profit).
5. Think about how to interpret and use the result. For example, the economic model of profit is a descriptor of human decision behavior.
6. Look for information in the book that elaborates on the formula or application.
7. Before you end your study session, conduct a brief mental review of what you covered, and note for future reference any difficult topics you may need to revisit or ask about in class.
8. Reward yourself for accomplishing something. You had the discipline and

patience to sit down and work on something that is not often inherently fun.

Work with the books (don't just read them) between each class. This will enhance your understanding of lectures, you will not fall behind, and you will not be faced with the onerous task of trying to do a whole 2-3 weeks work at once (and if you put it off that long, you probably aren't going to do the reading or work anyway). Consistency of effort is helpful with this type of material.

Maintaining a consistent approach to learning a subject is an important general element of learning (whether it is economics or anything else). A little bit of work every day over a long period of time results in major achievements. You will likely find that the hardest part is getting started. I have this problem all the time. When I'm really putting off getting to work, I will decide that if I work 15 minutes or so, I can stop. Sometimes the 15 minutes turns into an hour or two, sometimes it turns into 10 minutes. But whatever the case, 30 minutes is better than 15, 15 minutes is better than 10, 10 minutes is better than 5, and even 5 is better than nothing. The point is, do something!

Student
Support
Services:

If you are having difficulties, missing classes, or personal problems, as noted in the ESF Student Handbook, there are offices at both ESF and SU available to provide academic support, as well as career, and personal counseling. The ESF Office of Career and Counseling Services, 110 Bray Hall, 470-6660, can direct you to the proper source of help.

Confidentiality is assured

If you experience family or health emergencies, which will interfere with your ability to succeed in this or other courses, call the ESF Office of Career and Counseling Services (315-470-6660). This office can give official endorsement to your need for accommodation and will also contact all your class instructors for you, should such an emergency require you to be absent from campus.

ESF
Student
Handbook:

A PDF version of the ESF Student Handbook can be downloaded from <http://www.esf.edu/students/handbook/>. This handbook serves as an official guidebook for ESF students. It outlines many of ESFs policies and services such as Codes of Student Conduct, Academic Policies, and Academic Grievance Procedures, etc. The Codes of Student Conduct spell out a student's rights as well as responsibilities. Inappropriate behaviors that disrupt the classroom learning environment will not be tolerated.

ESF

Judicial

Handbook: A PDF version of the ESF Judicial Handbook can be downloaded from <http://www.esf.edu/students/handbook/>. This handbook outlines the policies, processes, and procedures of ESFs judicial system. It includes such topics as Philosophy of the Code, Student's Rights/Responsibilities, and Code of Student Conduct, etc. Student's Rights/Responsibilities spell out appropriate and inappropriate behaviors. Inappropriate behaviors that disrupt the classroom learning environment will not be tolerated.

Cell Phones

Beepers

Etc.: All cell phones, beepers, pagers, and similar electronic devices must have the ringer turned on *vibrate*. The only acceptable use of your electronic devices during class is to receive emergency messages. Texting friends, surfing the web, and listening to music, etc. do not constitute an emergency and will not be tolerated.

SCHEDULE

Week 1 (1/17 – 1/21): Introduction

Required Reading: Wagner, Chapt. 1
Klemperer, Chapt. 1
Becker et al. 2004. PNW-GTR-623 (Available on the class webpage)
Chip-n-Saw Handout

Homework Assignment: Economic Model

Week 2 (1/24 – 1/28): Production Systems

Required Reading: Wagner, Chapt. 2
Klemperer, pgs. 31-43
Maital, Chapt. 3 and 4
Becker et al. 2004. PNW-GTR-623 (Available on the class webpage)
Chang et al. 2005. *Forest Products Journal*. **55**(10):49-55.
(Available on the class webpage)
Patterson and Xie. 1998. *Forest Products Journal* **48**(1):76-80.
(Available on the class webpage)

Homework Assignment: Production Function/Systems

Week 3 (1/31 – 2/4): Costs

Required Reading: Wagner, Chapt. 3
Becker et al. 2004. PNW-GTR-623 (Available on the class webpage)
Burdurlu et al. 2006. *Forest Products Journal*. **56**(1):46-52.
(Available on the class webpage)
Graham et al. 2006. *Jour. of For.* 104(7):94-100. (Available on the class webpage)
Huyler. 2000. NE-RP-712 (Available on the class webpage)
Lichtkoppler & Kuehn. 2003. (Available on the class webpage)
Patterson et al. 2002. *Forest Products Journal*. **52**(1):23-26.
(Available on the class webpage)

Homework Assignment: Costs

Week 4 (2/7 – 2/11): Revenues

Required Reading: Wagner, Chapt. 4
Becker et al. 2004. PNW-GTR-623 (Available on the class webpage)
Graham et al. 2006. *Jour. of For.* 104(7):94-100. (Available on the class webpage)
Huyler. 2000. NE-RP-712 (Available on the class webpage)
Lichtkoppler & Kuehn. 2003. (Available on the class webpage)
Patterson et al. 2002. *Forest Products Journal*. **52**(1):23-26. (Available on the class webpage)

Homework Assignment: Revenue

Week 5 (2/14 – 2/18): Profits

Required Reading: Wagner, Chapt. 5
Becker et al. 2004. PNW-GTR-623 (Available on the class webpage)
Graham et al. 2006. *Jour. of For.* 104(7):94-100. (Available on the class webpage)
Huyler. 2000. NE-RP-712 (Available on the class webpage)
Lichtkoppler & Kuehn. 2003. (Available on the class webpage)
Patterson et al. 2002. *Forest Products Journal*. **52**(1):23-26. (Available on the class webpage)

Extra Credit Homework: Profit

Term Paper Article(s) Approved

Week 6 (2/21 – 2/25): Capital Theory: Introduction

Required Reading: Wagner Chapt. 8
Klemperer, Chapt. 4, 5, and 6
Becker et al. 2004. PNW-GTR-623 (Available on the class webpage)
Brukas et al. 2001.. *Forest Policy and Economics*. **2**(2):143-156. (Available on the class webpage)
Calish et al. 1978. *Jour. of For.* **76**:217-221. (Available on the class webpage)
Patterson and Xie. 1998. *Forest Products Journal*. **48**(1):76-80. (Available on the class webpage)

Patterson et al. 2002. *Forest Products Journal*. **52**(1):23-26.
(Available on the class webpage)

Homework Assignment: Capital Theory

FIRST MIDTERM EXAM (2/22)

Week 7 (2/28 – 3/4): Capital Theory: Introduction

Early Course Evaluation

Week 8 (3/7– 3/11): Capital Theory: Investment Analysis

SPRING BREAK (3/14 – 3/18)

Week 9 (3/21 – 3/25): Capital Theory: Investment Analysis/Forest Rotation Problem

Last Day to Drop a Class (3/22)

Week 10 (3/28 – 4/1): Forest Rotation Problem

Term Paper Introduction and Outline

Week 11 (4/4 – 4/8): Demand & Supply

Required Reading: Wagner, Chapt. 6
Klemperer, Chapt. 2
Becker et al. 2004. PNW-GTR-623 (Available on the class
webpage)

Extra Credit
Homework Assignment: Demand and Supply

SECOND MIDTERM EXAM (4/5)

- Week 12 (4/11 – 4/15): Demand & Supply/Market Equilibrium and Structure
- Required Reading: Wagner, Chapt. 7
 Klemperer, Chapt. 3, 11, and 12
 Becker et al. 2004. PNW-GTR-623 (Available on the class webpage)
 Brubaker et al. 2006. *North. J. Appl. For.* 23(4):234-240. (Available on the class webpage)
 Bullard et al. 2002. *South. J. Appl. For.* 26(1):26-31. (Available on the class webpage)
 Changing Timberland Ownership (Available on the class webpage)
- Homework Assignment: Market Equilibrium
- Week 13 (4/18 – 4/22): Market Equilibrium and Structure/Taxes
- Required Reading: Wagner, Chapt. 11
 Klemperer, Chapt. 9
- Homework Assignment: Taxes
- Week 14 (4/25 – 4/29): Taxes/Estimating Nonmarket Values
- Required Reading: Wagner, Chapt. 12
 Klemperer, Chapt. 14.
 Calish et al. 1978. *Jour. of For.* 76:217-221. (Available on the class webpage)
 Canham. 1986. *Jour. of Env. Mgmt.* 23:335-339. (Available on the class webpage)
- Extra Credit
 Homework Assignment: Estimating nonmarket values
- Week 15 (5/4): Estimating Nonmarket Values

TERM PAPER (Due on the Last Day of Class)

FINAL EXAM (Extra Credit Homework is due the Day the Final is Scheduled)