Website
b-Space site is here ⇐ clickable!

Technology
Do not use laptops or cell phones in lecture. Penalties: first use = warning; second use = 5 points off your course grade; third use = fail. To encourage class attendance, lecture videos will be posted one week later — or not; this is an endogenous question.

People
Instructor: David Zetland (dzetland@gmail.com). I will have office hours in Giannini 210 from 12:30 to 1:30 on Tuesdays and 3:30 to 4:30 on Thursdays.
GSIs: Fei Han (feigsi@gmail.com) and Diana Lee (dlee@are.berkeley.edu). Fei’s office hours are Wed 5-6 and Fri 3-4 in Giannini 314; Diana’s are from 1–3 on Thu in Giannini 311.

Class Times

<table>
<thead>
<tr>
<th>Item</th>
<th>Day/Time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lecture</td>
<td>T/R, 11:10-12:30</td>
<td>101 LSA</td>
</tr>
<tr>
<td>First Lecture</td>
<td>R, Aug 27</td>
<td></td>
</tr>
<tr>
<td>Disc 101</td>
<td>M 3–4</td>
<td>2311 TOLMAN</td>
</tr>
<tr>
<td>Disc 102</td>
<td>W 2–3</td>
<td>45 EVANS</td>
</tr>
<tr>
<td>Disc 103</td>
<td>W 4–5</td>
<td>2311 TOLMAN</td>
</tr>
<tr>
<td>Disc 104</td>
<td>F 2–3</td>
<td>2311 TOLMAN</td>
</tr>
<tr>
<td>Labor Day</td>
<td>M, Sep 7</td>
<td>no discussions!</td>
</tr>
<tr>
<td>Thanksgiving</td>
<td>R, Nov 26</td>
<td>no discussions!</td>
</tr>
<tr>
<td>Last Lecture</td>
<td>T, Dec 8</td>
<td></td>
</tr>
</tbody>
</table>

Grades
- Assignments are due at the start of class (11:10 am). Late assignments receive zero points.
- Each assignment is worth the points shown.
- Your grade will be based on your total points. I will try to stay with traditional cut-offs (90+ points for an A), but I will look at the distribution of scores (“the curve”) before deciding final cut-offs.
- ALL requests for regrading need to be typed and received within 2 classes, e.g., if you get your grade back on Tuesday, your request for a regrade is due at start of next Tuesday’s class.

Assignments

<table>
<thead>
<tr>
<th>Item</th>
<th>Points</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discussion</td>
<td>0, 5, 10 for attendance (&gt; 3, 2-3, 1 missed)</td>
<td></td>
</tr>
<tr>
<td>Frank &amp; Hazlitt</td>
<td>n/a</td>
<td>Sep 18</td>
</tr>
<tr>
<td>Homework 1</td>
<td>0–5</td>
<td>Sep 24</td>
</tr>
<tr>
<td>Blog post</td>
<td>0–10</td>
<td>Oct 1</td>
</tr>
<tr>
<td>Homework 2</td>
<td>0–5</td>
<td>Oct 8</td>
</tr>
<tr>
<td>Midterm</td>
<td>0–15</td>
<td>Oct 15</td>
</tr>
<tr>
<td>Hayek</td>
<td>n/a</td>
<td>Oct 13</td>
</tr>
<tr>
<td>Briefing 1*</td>
<td>0–10</td>
<td>Nov 10</td>
</tr>
<tr>
<td>Homework 3</td>
<td>0–5</td>
<td>Nov 24</td>
</tr>
<tr>
<td>Olson &amp; Schelling</td>
<td>n/a</td>
<td>Nov 24</td>
</tr>
<tr>
<td>Briefing 2*</td>
<td>0–10</td>
<td>Dec 1</td>
</tr>
<tr>
<td>Peer-Grading</td>
<td>2 @ 0–5 one week after briefing</td>
<td></td>
</tr>
<tr>
<td>Final exam</td>
<td>0–20</td>
<td>Dec 15, 5–8P</td>
</tr>
</tbody>
</table>

* Bring 3 COPIES of each briefing. Zero points for 1 or 2 copies!
Experiments
We will run experiments in discussion (weeks 2, 8, 11?). They are worth neither money nor points, but you will learn more than I will teach you!

Reading

Required Texts (approx cost $55)

Finish by Sep 18

Finish by Oct 13

Finish by Nov 6
Gordon (1956), Coase (1960) and Hardin (1968) [PDFs on b-space]

Finish by Nov 20

Optional Reading

Books

The Economist magazine, *The Tipping Point, The Black Swan, The Elusive Quest for Growth, Seeing Like a State, Small is Beautiful*

Textbooks!


Lectures

Microeconomic Theory with Application to Natural Resources: Covers the basic microeconomic tools for further study of natural resource problems. Theory of consumption, production, theory of the firm, industrial organization, general equilibrium, public goods and externalities. Applications to agriculture and natural resources.

Detailed Schedule – Subject to Random Changes!

30 classes (26 lectures; 2 guest lectures; 1 midterm; 1 holiday).

Aug 27 (R) L1 Overview

- All about me (teaching philosophy; career; travels)
- Thinking like an economist (messy!)
- Math (1+1 = 2?)
- Power (grades!), political economy (equity/efficiency, who/how much)
- Resources v. environment
- Markets, missing markets, no markets
- Statics v. dynamics
• bargaining vs. efficiency (PD)
• Syllabus

Sep 1 (T) L2 Claire Tompkins on Water Markets
Sep 3 (R) L3 Damian Bickett on Transportation

Sep 8 (T) L4 STATICS A
• Supply and Demand
• surplus, DWL, elasticity
• shifts vs moves along

Sep 10 (R) L5 STATICS B
• Consumers: from utility to demand
• income elasticity, price elasticity, substitutes/complements
• U max, MU=MC

Sep 15 (T) L6 STATICS C
• Producers: from cost fn to supply curve
• MR=MC, profit-max
• AC/MC/TC/FC/VC, profit (economic vs accounting), LR/SR

Sep 17 (R) L7 STATICS A
• More Supply and Demand
• scale, scope
• costs: opportunity, sunk, cost-benefit, accounting

Sep 22 (T) L8 STATICS A
• Multiple markets
• GE/PE (substitutes/complements/cross-price elasticity 2)

Sep 24 (R) L9 STATICS C
• competitive to oligopoly to monopoly (Lerner Index)
• surplus, rents, regulation, schumpeter
• the difference between a tax and a regulation

Sep 29 (T) L10 STATICS C
• more on market competition/out of equilibrium behavior
• price discrimination

Oct 1 (R) L11 STATICS A
• Missing markets/no markets. Trade (comp advantage)
• shadow values. time vs. money (opp cost 2)

Oct 6 (T) L12 STATICS A
• property rights (public/private/common-pool/club)

Oct 8 (R) L13 STATICS B
• free riders/public goods/collective action

Oct 13 (T) L14 STATICS A
• externalities/pigouvian taxes
• Optimal extinction/renewable vs. non renewable

Oct 15 (R) MIDTERM

Oct 20 (T) L15 DYNAMICS A
• Midterm feedback
• Students feedback
• Overview: time, games, nature, information
• simultaneous and sequential

Oct 22 (R) L16 DYNAMICS B
• principal-agent (and beneficiary). moral hazard, adverse selection. microfinance
Oct 27 (T) L17 DYNAMICS B
- Market failure, government failure
- intrinsic/extrinsic motivation (no market)

Oct 29 (R) L18 DYNAMICS B
- PAB 2 – bureaucracy, regulators, politicians
- Market failure, government failure 2

Nov 3 (T) L19 DYNAMICS B
- game theory (ludic vs. conflict)
- bounded rationality, cheater detection, race, risk aversion

Nov 5 (R) L20 DYNAMICS B
- collective action, special interests

Nov 10 (T) L21 DYNAMICS C
- information (perfect, complete, missing)
- risk (expected utility) vs uncertainty (Knightian)

Nov 12 (R) L22 DYNAMICS C
- Guest lecture: Ties Rijcken on Dutch interest groups

Nov 17 (T) L23 DYNAMICS D
- Reaction functions: Bertrand, Cournot and Stackelberg

Nov 19 (R) L24 DYNAMICS D
- Option values, intertemporal equilibrium and discounting (social vs market discount rates)
- Climate change, Copenhagen (http://en.cop15.dk/)

Nov 24 (T) L25 DYNAMICS D
- Water: population/growth, groundwater, OPM

Nov 26 (R) NO CLASS

Dec 1 (T) L26 DYNAMICS D
- Fisheries
- ITQs, tuna, halibut, W Africa, oysters/reef, jellies/squid

Dec 3 (R) L27 DYNAMICS D
- Collective action problems: agriculture, water, war, drugs

Dec 8 (T) L28 LAST CLASS
- As part of RRR week, there will be no new material in this class!
- Review of results from PGG experiment in discussion sections
- Q & A

Dec 15 (T) FINAL EXAM @ 5pm