

FOR 519: FOREST ECONOMICS
FALL 2015 SYLLABUS

Instructor: Erin Sills, 3110 Jordan Hall (mailbox in 3127 Jordan)
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Office hours: Wednesday 10:30 – 11:30AM and 2:30 – 3:30PM
(with exceptions announced in class on Tuesday)

Teaching Assistant: Damien Singh, 3125 Jordan Hall
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Office hours: Mondays 10-12 and Fridays by appointment

Prerequisite: ARE201, EC205 or equivalent

Learning outcomes:

1. Use capital budgeting criteria and discounted cash flow analysis to correctly make recommendations regarding forestry investments, including
 - a. Choice among investment options;
 - b. Assessment of property and income tax effects;
 - c. Clear and succinct reports summarizing analyses.
2. Identify and explain sources of data and approaches to modeling timber supply and prices.
3. Identify and explain optimal rotations for even-age timber stands, including with non-timber values.
4. Understand and evaluate forestland appraisals and non-market valuation studies.
5. Explain and discuss implications of non-market values for NIPF and public forest lands.
6. Apply conceptual frameworks and analytical tools from economics to topics of interest.

Textbook: *Forest Resource Economics & Finance*, by W. David Klemperer;
ISBN-13: 978-0-9740211-0-2 (available from Amazon.com)
Additional readings will be distributed in class and available from Moodle site.

Grading:

10%	Class participation (attendance, preparation, and contribution to group work)
32%	Assignments (4 problem sets due Sept 8, Sept 17, Oct 20, and Nov 19)
30%	Tests (24 September and 5 November, in class)
28%	Project

Class participation includes attendance, preparation for class as demonstrated by questions and responses, and active engagement including productive contributions to group work.

Assignments are problem sets providing practice with skills required for the class and the profession (e.g., discounted cash flow analysis)

Tests are closed-book, in-class, and designed to assess your grasp of class material, including readings, lectures, and applications

Project is an economic analysis of a topic of your choice (subject to approval of instructor).

There are three items due for this project:

1. 300 – 500 word proposal, stating the topic, the specific objective or research question, the planned methods, and including at least three citations, due via Moodle before class on 15 October;
2. presentation to the class, 15 minutes + 5 minutes Q&A on 17 November, plus one suggested question and answer for the final exam based on the presentation and submitted through Moodle before class on 19 November;
3. term paper (2250 – 2750 words, plus reference list), incorporating feedback from presentation, submitted through moodle by 8AM on 8 December.

Policies:

Academic Integrity: You may work together on homework assignments, but all work that you submit should be your own. Duplication of spreadsheets, memos, or other components of assignments is not allowed. Violations will be given partial or no credit, depending on the severity of the plagiarism, and you may be sent to the student judicial system. Exams must be completed without any reference materials other than those specifically allowed, such as formula sheets or the textbook. You may not copy from other students or from notes. All exams and homework assignments carry the expectation of the student honor pledge: “I have neither given nor received unauthorized aid on this test or assignment.”

Late assignments: Assignments are due to the TA at the beginning of the class period on the date specified. Assignments turned in after that time will be penalized 15% per day (24 hour period). After 3 days late, you may turn in any assignment before the last day of class for a starting grade of 50 (i.e., your grade on the assignment will be 50 minus points deducted for incorrect answers, rather than 0 if you do not submit the assignment).

Email and web: I will use email to distribute class assignments and notices occasionally. You are expected to check your email at least daily. I will use the email address that you have registered with NCSU. If this is not an email address that you check frequently, then please change your registered address. Course assignments, readings, and announcements will also be posted on the course moodle page, which you should check frequently.

Computer Skills: You must be able to use a word processor and a spreadsheet to prepare papers, analyses, and charts. We will discuss some specific techniques, but not teach computer basics in the class.

Disabilities: Reasonable accommodations will be made for students with verified disabilities. These students should inform the instructor in the first week of classes and register with the Disability Services Office: <http://dso.dasa.ncsu.edu/>

Extra Expenses: In addition to the textbook, you should have a scientific or business calculator for use on exams and in class.

Absences and Attendance: Attendance is required.

Students will be allowed up to 2 unexcused absences. Starting with 3 absences and every two absences thereafter, your final course grade will be reduced by a level (e.g. B- becomes a C+). Students who arrive significantly late or leave early may also be counted as absent.

Excused absences will be granted in accordance with university policy: <http://policies.ncsu.edu/regulation/reg-02-20-03>. If you miss class, it is your responsibility to obtain notes from another student. If a recording of the class is available (from <https://cnr.online.ncsu.edu/online/Catalog/catalogs/for-319-fall-2015>), you should review it before the next class. If an assignment is due on the day of an excused absence, you must submit that assignment before the next class period. If an exam is missed as an excused absence, a make-up exam will be allowed, provided that the student contacts the instructor as soon as possible, even if ill or grieving for a family member. Students must return to class as soon as they recuperate from their illness or other absence.

Schedule (topics and assignments in October – December are tentative and subject to change)

20 August	Introduction	Klemperer pages 1-7, 20 - 42
25 August	Guest lecture by Buck Vaughan, Cons Fund	
27 August	Investment analysis: DCF	Klemperer Chapter 4
1 September		HW1 assigned
3 September		
8 September	Investment analysis: K budgeting	Klemperer Chapter 6 HW1 due
10 September		HW1 answer key posted HW2 assigned
15 September		
17 September	Investment analysis: Inflation and prices	Klemperer Chapter 5 HW2 due
22 September		HW2 answer key posted
24 September	Test 1 (HW1 & 2, August 20 – September 22, Chapters 4 – 6)	
29 September	Guest lectures by Bob Abt	Klemperer Chapter 12 (scan)
1 October		
6 October	Optimal rotations	Klemperer Chapter 7
8 October	Fall break	
13 October	Optimal rotations	HW3 assigned
15 October		Grad student proposals due
20 October	Government: taxes, cost-share, and other incentive programs	Klemperer Chapter 9 (scan) HW3 due
22 October		HW3 answer key posted

27 October	Field trip for FOM students	
29 October	Guest lecture by Fred Cabbage	Klemperer Chapter 11
3 November	Government: taxes, cost-share, and other incentive programs	
5 November	Non-market valuation	Klemperer Chapter 14
10 November		
12 November	Test 2 (<i>HW3, September 29 – 3 November, Chapters 7, 9, 11</i>)	
17 November	Grad student presentations	HW4 assigned
19 November	TBD	
24 November	Regional and public economic analysis	Klemperer Chapter 16 HW4 due
26 November	<i>Thanksgiving</i>	
1 December	TBD	HW4 answer key posted
3 December	Review for final exam	
8 December	Final exam (8 – 11AM)	Grad student term papers due