



## Department of Economics Course Outline

**Term:** Summer 2005

**Course:** Economics 327  
[Petroleum in the World Economy]

**Section:** 60

**Time:** MW 09:00 ? 11:50

**Place:** SB 142

**Instructor:** A. Honarvar

**Office:** SS 413

**Telephone:** 220-5859

**Office Hours:** MW 12:00 ? 13:00

**E-Mail:** [honarvar@ucalgary.ca](mailto:honarvar@ucalgary.ca)

### Textbook(s):

- Dahl, Carol. International Energy Markets: Understanding Pricing, Policies, and Profits, PennWell, 2004.

### Books on Reserve:

- Adelman, M.A. The Genie out of the Bottle, MIT, 1995.
- Amuzegar, J. Managing the Oil Wealth: OPEC's Windfalls and Pitfalls, St. Martin's (Tauris) 1999.
- Campbell, C.J. The Coming Oil Crisis, Multi-Science Pub., 1997.
- Claes, P.H. The Politics of Oil - Producer Cooperation, Westview, 2001.
- Dahl, Carol. International Energy Markets: Understanding Pricing, Policies, and Profits, PennWell, 2004.
- Danielsen, The Evolution of OPEC NY: Harcourt, Brace Jovanovich, 1982.
- Griffen, J., and Teece, D. (eds.) OPEC Behaviour and World Oil Prices, Unwin, 1982.
- Hall, D.C. and Howarth, R.B. (eds.) The Long-term Economics of Climate Change: Beyond a Doubling of Greenhouse Gas Concentrations, Elsevier Science, 2001.
- Hannesson, Rognvaldur, Petroleum in the World Economy, Greenwood Publishing Group.
- Rauscher, M. OPEC and the Price of Petroleum, Springer, 1989.
- Reynolds, D.B. Scarcity and Growth Considering Oil and Energy: An Alternative Neo- Classical View, Edwin Mellen, 2002.
- Skeet, I. OPEC: Twenty Five Years of Prices and Politics, Cambridge University Press, 1988.

- Verleger, P. Adjusting to Volatile Energy Prices, Institute for International Economics, 1993.

## **Other Reference Materials:**

Here are some interesting websites regarding oil and energy:

### Canadian Governmental:

Natural Resources Canada: [www.nrcan.gc.ca](http://www.nrcan.gc.ca)

National Energy Board: [www.neb.gc.ca](http://www.neb.gc.ca)

Alberta Department of Energy: [www.energy.gov.ab.ca](http://www.energy.gov.ab.ca)

Alberta Energy and Public Utilities Board: [www.eub.gov.ab.ca](http://www.eub.gov.ab.ca)

### U.S. Governmental:

U.S. Energy Information Administration: [www.eia.doe.gov](http://www.eia.doe.gov)

### International Governmental:

International Energy Agency: [www.iea.org](http://www.iea.org)

Organization of Petroleum Exporting Countries: [www.opec.org](http://www.opec.org)

### Other:

Middle East Economic Survey: [www.mees.com](http://www.mees.com)

Oxford Institute for Energy Studies: [www.oxfordenergy.org](http://www.oxfordenergy.org)

BP statistical review: [www.bp.com](http://www.bp.com)

## **Course Objectives:**

1. To review the basic analytical concepts of relevance to the study of the world petroleum market: demand, supply, perfect and imperfect competition, and profit maximizing allocation of an exhaustible resource stock.
2. To survey major events in the evolution of the economics of the world crude oil market from 1900 to the present, with particular emphasis on the years since the formation of OPEC in 1960, and the "commoditization" of the oil market since 1980.
3. To develop the skills necessary for the critical evaluation of news stories about the international petroleum industry.

## **Course Outline:**

1. Energy lessons from the past for the future
2. Oil in the World and Development of oil industry

3. Concepts in Petroleum Economics:
  - Perfect competition
  - Monopoly, Dominant Firm and OPEC
  - Externalities and Energy Pollution
  - Allocating Fossil Fuel Production Over Time and Oil Leasing
4. International Institutions of Oil
  - OPEC
  - IEA
5. Oil and the world Economy
6. Energy and the Future of Oil

### Grade Determination and Final Examination Details:

Assignments	25%
Midterm	25%
Final Examination	<u>50%</u>
	100%

A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

Non-programmable calculators will be allowed during the writing of tests or final examinations.

There will be a Registrar scheduled final examination, lasting 2 hours

Tests and exams will not involve multiple-choice questions.

Tests and final exams are marked on a numerical (percentage) basis, and then converted to letter grades. The course grade is then calculated using the weights indicated above, as applied to the percentage grades. As a guide to determining standing, these letter grade equivalences will generally apply:

A+	94-100	B+	76-79	C+	61-64	D+	46-49
A	85-93	B	69-75	C	54-60	D	40-45
A-	80-84	B-	65-68	C-	50-53	F	0-39

If, for some reason, the distribution of grades determined using the aforementioned conversion chart appears to be abnormal the instructor reserves the right to change the grade conversion chart if the instructor, *at the instructor's discretion*, feels it is necessary to more fairly represent student achievement.

Students? Union Vice President Academic:

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Society of Undergraduates in Economics (S.U.E.)

[www.fp.ucalgary.ca/econ](http://www.fp.ucalgary.ca/econ)

**Notes:**

- Students seeking reappraisal of a piece of graded term work (term paper, essay, etc.) should discuss their work with the Instructor within one week of the work being returned to the class.
- Make-up tests/exams and deferred tests/exams will not be given. In cases of documented illness, documented family emergency, or documented religious observance, extra weight will be given to the final examination.
- Student's exams and assignments will be returned during regular class time or at the time of the final exam. Papers may also be picked up by students during regular office hours.
- Tests and examinations will not be given before the scheduled dates.

Safewalk / Campus Security: 220-5333

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AH/pml  
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