



## Department of Economics Course Outline

		<b>Term:</b>	Winter 2009
<b>Course:</b>	Economics 527 [World Oil Economics]	<b>Section:</b>	01
<b>Time:</b>	MWF 0800 – 0850	<b>Place:</b>	ST 125 (subject to change)
<b>Instructor:</b>	Dr. W. D. Walls		
<b>Office:</b>	SS 536	<b>Telephone:</b>	220-6761
<b>Office Hours:</b>	MW 0900-1000 or by appointment	<b>E-mail:</b>	<a href="mailto:wdwalls@ucalgary.ca">wdwalls@ucalgary.ca</a>

### Textbook(s):

Folder of readings available for purchase from Bound and Copied.

### Book(s) on Reserve:

1. Adelman, M.A. "The Genie out of the Bottle: World Oil Since 1970, MIT Press, 1995.
2. Adelman, M.A. "The Economics of Petroleum Supply, MIT Press, 1993.
3. Horsnell, P. and R. Mabro, "Oil Prices and Markets", Oxford University Press, 1997.
4. Frank, H.J. (ed.), "The World Petroleum Market: Past & Future", International Association of Energy Economists, 1994.
5. Simmons, Matthew R., "Twilight in the Desert: The Coming Saudi Oil Shock and the World Economy", Wiley, 2005.
6. Yergin, Daniel, "The prize: The Epic Quest for Oil, Money & Power", Free Press, 1992.
7. Sampson, Anthony, "The Seven Sisters: The Great Oil Companies and the World They Made", Viking Press, 1975.
8. Marcel, Valerie, "Oil Titans", Brookings Institution, 2006.
9. Stevens, Paul (ed.) "The Economics of Energy, volumes I and II", Edward Elgar, 2000
10. Adelman, M.A., "The World Petroleum Market", Johns Hopkins Univ. Press, 1973.

11. Watkins, G. Campbell, "Petro markets: Probing the economics of continental energy", Fraser Inst. 1989.
12. Hannesson, Rognvaldur, "Petroleum Economics: Issues and Strategies of Oil and Natural Gas production", Quorum Books, 1998.
13. Penwell Books, "International Petroleum Encyclopedia", Penwell Publications, 2007.
14. Parra, Francisco, "Oil Politics", I.B. Tauris, 2004.
15. Maugeri, Leonardo, "The Age of Oil: What They Don't Want You to Know About the World's Most Controversial Resource", The Lyons Press, 2007.

### **Course Objectives:**

The course will focus on the international crude oil market with particular emphasis on OPEC and the determinants of its behaviour.

A review of the simple analytics of oil price determination and the history of international oil prices;

Familiarity with major sources of data on the international petroleum industry;

1. Knowledge of major factors affecting the "supply side" of crude oil, and the relationship between supply price and market price in competitive and non-competitive markets;
2. Knowledge of the major factors which may have influenced the price of oil in international oil markets since 1973, and the strengths and weaknesses of various attempts to depict this in a simple model; and
3. Development of the ability to see the economic significance of current events and policy statements about international prices.

### **Additional Required Readings and Course Web Page**

A detailed course outline and numerous other required readings will be made available in PDF format on the course web page to be located at

<http://pareto.ucalgary.ca/courses/>

The course web page will also contain a schedule of readings corresponding to each day that class meets, course announcements, and any other information to be distributed to the class.

### **Grade Determination and Final Examination Details:**

The grade will be based upon three in-class quizzes, one term paper, and the final exam as follows:

In-class Quizzes (3 @ 15% each)	45%
Term Paper	25%
Final Examination (comprehensive)	30%

The final exam will be scheduled by the Registrar and held in the classroom. It will be of two hours duration.

The final course grade will be obtained by weighting the numerical values (rather than letter grades) on the various exams and translating the numerical result back into a final letter grade for the course. The numerical-letter grade cut-off values will be as follows:

A+	99-100	B	82-87	C-	70-71
A	92-98	B-	80-81	D+	68-69
A-	90-91	C+	78-79	D	60-67
B+	88-89	C	72-77	F	0-59

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 sole discretion*, feels it is necessary to more fairly represent student achievement.

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.

#### Notes:

- **THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES** under any circumstances, nor may the quizzes be written early. Students unable to write the quizzes because of *documented* illness, family emergency or religious observance will have the weight shifted to the final examination; otherwise a grade of zero will be assigned.
- Students seeking reappraisal of a piece of graded term work (term paper, essay, etc.) should discuss their work with the Instructor *within fifteen* days of the work being returned to the class.
- Students' papers 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.
- It is the student's responsibility to request academic accommodations. If you are a student with a documented physical, psychological, social, or other disability who may require academic accommodation and have not registered with the Disability Resource Centre, please contact their office at 220-8237. Students who have not registered with the Disability Resource Centre are not eligible for formal academic accommodation. You are also required to discuss your needs with your instructor no later than fourteen (14) days after the start of this course.

Students' Union Vice-President Academic:

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

[www.ucalgary.ca/sue/](http://www.ucalgary.ca/sue/)

Safewalk / Campus Security: 220-5333

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