

## Economics 527 (L01) (World Oil Economics)

Instructor: Prof. WALLS, W. D.  
Phone: x6761  
Email: wwalls@ucalgary.ca

Lecture Location: HNSC 128  
Lecture Days/Time: TR 11:00AM—12:15PM

Office: SS 332  
Office Hours: TR: 12:15—12:30; TR: 13:45—14:00;  
F: 9:00 – 11:00; or by appointment.

Winter 2024

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### Course Description:

This course applies microeconomic theory (at the level of Econ 301) and empirical analysis (at the level of Stat 213) to the study of world oil markets. Students will gain a working knowledge of oil demand, oil supply, and a world oil model. With this background, the course then focuses on various conceptual models of OPEC and empirical tests of those models.

### Course Learning Outcomes:

Students who successfully complete this course will:

- a) be knowledgeable of sources of oil industry data and proficient at collecting, collating, and describing oil industry data for the purpose of analyzing petroleum markets including petroleum refining.
- b) be knowledgeable of the historical development of market institutions in the world oil market; be knowledgeable of the events associated with large price shocks in the world oil market.
- c) be knowledgeable of the mechanics of various short-run and long-run oil demand models and have an understanding of the basic statistical output of these demand models;
- d) knowledgeable of the intuition behind the theory of energy supply, the standard theory of depletable resources, and be knowledgeable of the empirical evidence of supplier behavior in energy markets.
- e) knowledgeable of the mechanics of a computable model of the world oil market.
- f) be knowledgeable of various conceptual models of OPEC behavior; proficient at applying the concepts of cost, demand, and price formation in competitive markets and in markets where participants may have market power.
- g) be knowledgeable of empirical tests of economic models of OPEC.

### Course Outline:

- a) Introduction and overview of international crude oil markets, including sources of data, market institutions, and the mechanics of a simple world oil model

- b) Crude oil demand
- c) Crude oil supply
- d) OPEC behavior since 1970, including empirical tests of alternative economic and non-economic models
- e) The dynamics of spot, storage, and futures markets for crude oil
- f) Special topics (as time permits) integrating instructor's current and recent research on petroleum economics, potentially including:
  - the shale oil boom and the asymmetry of US oil supply
  - pipeline capacity rationing and the discount of Canadian crude oil
  - refining for export and the convergence of international refined product prices
  - the impact of refinery outages on finished product prices
  - petroleum refining industry in China
  - the impact of widespread hydraulic fracturing on oil supply
  - impact of EV adoption on petroleum markets

**Prerequisites/corequisites:**

Econ 328, Econ 357, and Econ 359.

*For Winter 2024 only, the sole prerequisite is Econ 328*

**Required Textbook(s):**

None. All readings accessible through D2L.

**Recommended Textbook(s):**

None. All readings accessible through D2L.

**Required Access to Technology:**

All course readings and recordings will be provided through the D2L web portal. This will require Internet access with the capability of rendering PDF files and Yuja video files.

**Desire2Learn:**

This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

**Grade Determination:**

Quizzes (3 @ 15 % each)	45%
Video Presentation of Term Project	5%
Written Term Project	50%
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	<b>100%</b>

**Examination Details:**

Tests **WILL NOT** involve multiple choice questions, fill in the blanks, matching items across columns, or connecting the dots. A non-programmable calculator will be permitted during the writing of all quizzes.

Programmable calculators, cellphones, textbooks, course notes, and other electronic devices will not be allowed during the writing of tests. **Students are reminded that simply being able to access a cellphone during an exam is academic misconduct.**

The dates for the three in-class tests are **February 1<sup>st</sup>, March 7<sup>th</sup>, and April 4<sup>th</sup>**. The due date for the **Written Term Project and Video Presentation** in the D2L Dropbox is **April 14<sup>th</sup> @ 9AM**.

**This course has no final examination.** Instead, the course emphasizes writing and speaking/presentation skills. The final project and video presentation will demonstrate each student's ability to articulate course concepts in a practical applied context. Both the written term project and the video presentation are to be submitted using Dropbox in D2L.

### **Grading Policies:**

The official grading system will be used. See <http://www.ucalgary.ca/pubs/calendar/current/f-1-1.html>.

Students **must receive a passing grade** on the **written term project AND video presentation** to pass the course.

If a student's letter grade on the project exceeds their quizzes letter grade, the weights of the quizzes are transferred to the final exam. The student must have written the quizzes or provided supporting documentation for the absence(s).

As per the Writing Across the Curriculum Statement in the Calendar, writing and grading thereof will be a factor in the evaluation of student work. See <https://www.ucalgary.ca/pubs/calendar/current/e-2.html>.

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES/TESTS/EXAMS under any circumstances, nor may the quizzes/tests/exams be written early. Students unable to write the quizzes/tests/exams because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned.

Any student work which remains undistributed after the last day of classes will be available to students through the instructor's office during the instructor's office hours.

### **Reappraisal of Grades:**

*For Reappraisal of Graded Term Work, see Calendar I.2*

<http://www.ucalgary.ca/pubs/calendar/current/i-2.html>

*For Reappraisal of Final Grade, see Calendar I.3*

<http://www.ucalgary.ca/pubs/calendar/current/i-3.html>

### **Academic Misconduct and Intellectual Honesty:**

Academic Misconduct refers to student behavior that compromises proper assessment of students' academic activities and includes: cheating; fabrication; falsification; plagiarism; unauthorized assistance; failure to comply with an instructor's expectations regarding conduct required of students completing academic assessments in their courses; and failure to comply with exam regulations applied by the Registrar.

*Statement of Intellectual Honesty, see Calendar K.3*

<https://www.ucalgary.ca/pubs/calendar/current/k-3.html>

### **Plagiarism and Other Academic Misconduct**

<https://ucalgary.ca/student-services/student-success/learning/academic-integrity>

**Academic Accommodations:**

Students seeking an accommodation based on disability or medical concerns should contact Student Accessibility Services. SAS will process the request and issue letters of accommodation to instructors. Students who require an accommodation in relation to their coursework based on a protected ground other than disability should communicate this need in writing to their instructor. The full policy on Student Accommodations is available at

<https://www.ucalgary.ca/legalservices/sites/default/files/teams/1/Policies-Accommodation-for-Students-with-Disabilities-Procedure.pdf> and <https://www.ucalgary.ca/legal-services/sites/default/files/teams/1/Policies-Student-Accommodation-Policy.pdf>.

**Freedom of Information and Protection of Privacy (FOIP) Act:**

Personal information is collected in accordance with FOIP. Assignments can only be returned to the student and will be accessible only to authorized faculty and staff. For more information, see

<https://www.ucalgary.ca/legal-services/sites/default/files/teams/1/faq-privacy-faculty-members.pdf> and <https://www.ucalgary.ca/legal-services/sites/default/files/teams/1/faq-privacy-students.pdf>

**Internet and Electronic Communication Device Information:**

The use of cell phones for any purpose in class is prohibited. Computers and tablets may be used for note taking only unless otherwise authorized by the instructor.

**Copyright Legislation:**

See the University of Calgary policy on Acceptable Use of Material Protected by Copyright at <https://www.ucalgary.ca/legal-services/sites/default/files/teams/1/Policies-Acceptable-Use-of-Material-Protected-by-Copyright-Policy.pdf>. Students who use material protected by copyright in violation of this policy may be disciplined under the Non-Academic Misconduct Policy.

**Recording of Lectures:**

Recording of lectures is prohibited, except for audio recordings authorized as an accommodation by SAS or an audio recording for individual private study and only with the written permission of the instructor. Any unauthorized electronic or mechanical recording of lectures, their transcription, copying, or distribution, constitutes academic misconduct. See <https://www.ucalgary.ca/pubs/calendar/current/e-6.html>.

**Instructor Intellectual Property:**

Course materials created by instructors (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the instructor. These materials may NOT be reproduced, redistributed or copied without the explicit consent of the instructor. The posting of course materials to third party websites such as note-sharing sites without permission is prohibited. Sharing of extracts of these course materials with other students enrolled in the course at the same time may be allowed under fair dealing.

**Important Dates:**

Please check: <http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html>.

**Student Organizations:**

Faculty of Arts Students' Association (F.A.S.A.):  
Economics Department Representative

Office: SS 803, E-mail: [econrep@fasaucalgary.ca](mailto:econrep@fasaucalgary.ca) and Web: [www.fasaucalgary.ca](http://www.fasaucalgary.ca).

Society of Undergraduates in Economics: <https://www.ucalgarysue.com/>.

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students to succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career events such as Industry Night and information sessions, mentorship programs, and social events for members. They invite you to join by contacting SUE at [sue@ucalgarysue.com](mailto:sue@ucalgarysue.com)

Faculty of Arts Program Advising and Student Information Resources:

- Have a question, but not sure where to start? The Arts Students' Centre is your information resource for everything in Arts! Drop in at SS102, call them at 403-220-3580, or email them at [artsads@ucalgary.ca](mailto:artsads@ucalgary.ca). You can also visit the Faculty of Arts website at <http://arts.ucalgary.ca/undergraduate>, which has detailed information on common academic concerns, including program planning and advice.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625] or visit them in the MacKimmie Tower.

Student Support and Resources:

- See <https://www.ucalgary.ca/registrar/registration/course-outlines> for information on campus mental health resources, the Student Ombuds Office, Student Success Centre, Safewalk, and Emergency Evacuation and Assembly.
- Online writing resources are available at <https://ucalgary.ca/student-services/student-success/writing-support>.

#### Notes:

1. Students are responsible for all assigned material, e.g., supplementary material posted on D2L, regardless of whether or not the material was covered in class.
2. Cell phones **may not be used for any purpose** in class, including taking photographs.
3. In cases where the weight of a missed quiz would be transferred to the final examination, it will instead be transferred to the written term project.

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2023-11-23