SAULT COLLEGE
of Applied Arts and Technology
Sault Ste. Marie

is this still taught?

COURSE OUTLINE

FORESTRY ECONOMICS

ECN 105-3

revised June, 1981 by Ralph Niessen

COURSE OUTLINE: FORESTRY ECONOMICS: ECN 105-3

TEXTS

    The Making of Economic Society, Robert L. Heilbroner,
        (Prentice-Hall, 1980)

    Canada's Special Resource Lands, Parts 2, 4, 6

CALENDAR

Week	Topic	Assignment
1	The Pre-Market Economy	Chap's 1-2 in Heilbroner
2	The Market Economy and the Industrial Revolution	Chap's 3-4 in Heilbroner
3	The Development of the Market Economy; Command Economies	Chap's 5, 6, 13 in Heilbroner
4	Mixed Economies; The Great Depression and World War II	Chap's 7, 8 in Heilbroner
5	Mixed Economies: Big Business, Big Unions, Big Governments	Chap. 11 in Heilbroner
6	Review and Mid-Term Exam (Thursday, 18 February)	
7	Mid-Term Break (22-26 February)	
8	Problems of Mixed Economies	Chap. 9 in Heilbroner
9	The Multinational Corporation	Chap. 11 in Heilbroner
10	The Canadian Economy and Forest Industries	See Parts 2, 4, 6 in Canada's Special Resource Lands
11	Canadian Economy and Forest Industries, continued	

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Canada's Special Resource Lands, Parts 2, 4, 6

CALENDAR

Week	Topic	Assignments
1.	The Pre-Market Economy	Chap's 1-2 in Heilbroner
2.	The Market Economy and the Industrial Revolution	Chap's 3-4 in Heilbroner
3.	The Development of the Market Economy; Command Economies	Chap's 5, 6, 12 in Heilbroner
4.	Mixed Economies; The Great Depression and World War II	Chap's 7, 8 in Heilbroner
5.	Mixed Economies: Big Business, Big Unions, Big Governments	Chap. 11 in Heilbroner
6.	Review and Mid-Term Exam (Thursday, 15 February)	
7.	Mid-Term Break (22-26 February)	
8.	Problems of Mixed Economies	Chap. 9 in Heilbroner
9.	The Multinational Corporation	Chap. 10 in Heilbroner
10.	The Canadian Economy and Forest Industries	See Parts 2, 4, 6 in Canada's Special Resource Lands
11.	Canadian Economy and Forest Industries, continued	

Week	Topic	Assignment
12	The Canadian Economy and Forest Industries, continued	
13	" " " " " , con'd	
14	" " " " " . con'd	
15	Problems for the '80's	Chap's 9, 12, 14 in Heilbroner
16	Review and Final Examination (29 April, Thursday)	

EVALUATION

Mid-Term Examination.......................40%

Final Examination (entire course).........60%

Marks are A, B, C, I, R (See p. 9, College Calendar)

ECONOMICS ECN 105
FORESTRY 2

Text:

Social Sciences in Forestry - a book of readings by Rumsey
and Duerr

References

* Managing Canadas Renewable Resources by Krueger and Mitchell
  esp. P. 14 to 27

  Canadas Special Resource Lands Environment Canada - Lands Directorate
  (available in Sault College Bookstore)

  Forest Resource Management - Duerr et al, Published by Saunders
  Copy in Sault College Library

* Forest Economics - Duerr, Published by McGraw Hill

* Copies available on loan from H. D. Graham

Suggested Course Outline

1. Introduction - pages 14 to 27 from Krueger and Mitchell

2. Balance of course from Rumsey and Duerr

NOTE: Suggested Chapters to be covered are:

Part 1 & 2: 4, 5, 6, 7, 8, 13, 22, 23, 24

Part 3: 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36

and

Part 4: 37, 39, 40

and

Part 5 - 42, 43, 44, 46, 47 & 48

ECONOMICS SCW 105
FORESTRY 2

Text:

Social Science in Forestry - a book of readings by Ramsey and Duerr

References

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Suggested Course Outline

1. Introduction - pages 14 to 27 from Krueger and Mitchell

2. Balance of course from Ramsey and Duerr

NOTE: Suggested Chapters to be covered are:

Part 1 & 2: 4, 5, 6, 7, 8, 13, 22, 23, 24

Part 3: 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36

and

Part 4: 37, 39, 40

and

Part 5 - 42, 43, 44, 46, 47 & 48

COURSE TITLE: FORESTRY ECONOMICS   COURSE NO.: ECN 105-3

INSTRUCTOR: Ralph Niessen   REVISED: June 1981

Course Description

This course is designed to impress upon students the central role of costs in forestry operations which, however, are very difficult to determine. Furthermore, since forestry is a geographically dispersed activity, it is essential that the students understand the effects of economic legislation passed by various governments, as well as the policies of banks and the economic impact of the role of the Bank of Canada. Since the students, when employed in their chosen field, may be called upon to make short-notice decisions, it is essential that they be equipped to do so and that they be capable to defend their decisions when questioned by superiors.

Objectives

1. To impress upon students that forestry is a very pronouncedly "increasing cost industry" and that certain "trade-offs" may be essential, even though they may not appear to make sense to an uninformed bystander.

2. To impress upon students the very great impact on forestry operations of both opportunity and social costs and what trade-offs these costs bring in their van.

3. To study imperfections of competition and the fact that some employers may be too small to be other than price-takers. The methodology of equating costs with revenues is therefore of great importance.

4. To look at marketing in greater depth and not only deal with supply and demand in a domestic setting, but in relation to international trade as well.

5. To understand foreign exchange rates and the roles of the I.M.F.; the I.B.R.D. and the influence of trading blocks such as the E.E.C.

Course Content

1. Costs: The FC, AFC, AVC, AC, MC. The optimum production points related to various costs. The long-run equilibrium of the Perfectly Competitive Firm.

2. The Marginal Cost Curve and the implied Supply Curve.

   P = AVC = Shutdown point
   P = MC=AC= Break even
   MR=MC = Maximum Profit

Course Content

3. Supply and Demand. The Theory of Diminishing Marginal Utility and the derivation of the Demand Curve from the DMU Curve. Indifference Curves and Consumer Equilibrium. Homogeneous Products pricing.

4. Imperfections of competition and the effects thereof of profit maximization. The supply of factors. Trade-offs in order to obtain the right mix.

5. Monopolies and monopsonies. Are all monopolies necessarily bad? Collusion in price setting. Oligoplistic competition. The reasons for their existence.

6. Factor demands are derived demands. Demands for factors as opposed to the supply. External economies and dis-economies. Production functions and technological innovations as related to demand for and supply of factors. Marginal Physical Product. Pure Rent Theory.

7. The Production Possibilities Curve and the Diminishing Returns Curve. The implications that may be derived from the above-mentioned theories.

8. Money in all its aspects. How it is created, what constitutes Money Supply; the deposit creation by banks; the role of the Central Bank.

9. Savings and the Multiplier. Developed vs. underdeveloped countries and the effects of the different savings patterns. Laws emanating from poverty and how to relate them to forestry costs.

10. National Accounts and how they vary from one country and ideology to another.

11. Government's role in the economy and the diversity of these roles as the ideologies change from country to country.

12. International Trade and the barriers erected by various governments. The power of bureaucrats in underdeveloped countries and the relationship of this power to the costs of forestry.

Methodology

This course will be taught in the lecture fashion, interspaced with seminar and discussion periods. Students will be encouraged to do practical assignments applying their newfound knowledge.

Grading

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A  -  80-100%
B  -  68- 79%
C  -  50- 67%
I  -  40-49%
R  -  Less than 40%
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Forestry Economics - ECN 105-3

Grading continued...

A student's grade will be determined by means of three tests. There
will be no comprehensive final examination, but each test will cover the units
already dealt with, so that the final test will cover the entire semester's
work.

There are no so-called "re-writes", but a student with "I" standing may
write a maximum of two more multiple choice tests which, when averaged with the
semester's other tests, will determine the final grade.

RN:lv
June 1981