



## Department of Economics Course Outline

		<b>Term:</b>	Fall 2013
<b>Course:</b>	Economics 325 [The North American Oil Industry]	<b>Section:</b>	01
<b>Time:</b>	M 18:00 – 20:45	<b>Place:</b>	ST 131 (subject to change)
<b>Instructor:</b>	Dr. Afshin Honarvar		
<b>Office:</b>	SS 405	<b>Telephone:</b>	403-220-5866
<b>Office Hours:</b>	M 17:00 - 18:00 (by appointment)	<b>E-mail:</b>	<a href="mailto:honarvar@ucalgary.ca">honarvar@ucalgary.ca</a>

### Textbook(s):

*Our Petroleum Challenge, Canadian Resources. Global Markets, 8<sup>th</sup> edition*, (2013) Canadian Centre for Energy Information. [**Recommended**]

Dahl, Carol (2004), *International Energy Markets, Understanding Pricing, Policies and, Profits*, Latest edition, PennWell Publishing. [**Recommended**]

Additional reading to be available on Blackboard

### Book(s) on Reserve:

*Our Petroleum Challenge, Canadian Resources. Global Markets, 8<sup>th</sup> edition*, (2013) Canadian Centre for Energy Information.

Dahl, Carol (2004), *International Energy Markets, Understanding Pricing, Policies and, Profits*, Latest edition, PennWell Publishing.

### Course Objectives:

The main objective of this course is to provide the student with a basis for understanding the structure and economics of the petroleum industry in North America. By the end of the course the students will learn about:

1. The role of North American petroleum industry in the world

2. General characteristics of the petroleum production process, especially as it is unique to North America
3. Economic and policy forces that guide, inform and influence industry decision-making in investment, supply forecasts and pricing
4. The nature and responsibility of regulatory oversight in this market

### **Websites**

The following institutional websites provide significant amounts of information with respect to the petroleum industry:

Alberta Energy Resources Conservation Board (ERCB) – [www.ercb.ca](http://www.ercb.ca). Please download the ERCB ST-98 from here: <http://www.ercb.ca/data-and-publications/statistical-reports/st98>

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

British Petroleum (BP) - [www.bp.com](http://www.bp.com)

Canadian Association of Petroleum Producers (CAPP) – [www.capp.ca](http://www.capp.ca)

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

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

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

US Department of Energy/Energy Information Administration (DOE/EIA) – [www.eia.doe.gov](http://www.eia.doe.gov)

### **Course Structure and Topics:**

The Course is organized around readings and discussions in the following areas:

1. Overview of North American petroleum supply resources and markets
2. Understanding of the physical nature of petroleum and derivative products
3. The nature of supply and demand in the market
  - a. Crude Oil
  - b. Natural Gas
  - c. Finished Products
4. Economic theory and markets
5. Supply Cost and investment decisions
6. Price setting, market trading and differentials
7. Externalities and the Environment
8. Petroleum Transportation and Pipeline Restrictions
9. Shale Gas / Shale Oil in North America

**Grade Determination and Final Examination Details:**

Mid-term1	1.5 hrs	30%	(Exam on Monday October 7, 2013)
Mid-term2	1.5 hrs	30%	(Exam on Monday November 4, 2013)
Final Exam	2 hrs	40%	(Will be announced by the registrar)

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 a guide to determining standing, these letter grade equivalences will generally apply:

A+	97 - 100	B	75 - 79	C-	60 - 62
A	90 - 96	B-	70 - 74	D+	55 - 59
A-	85 - 89	C+	67 - 69	D	50 - 54
B+	80 - 84	C	63 - 66	F	< 49

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.

The final examination will be scheduled by the Registrar. It will last two hours and will be held in an assigned room. Examinations and quizzes may contain multiple choice questions.

**Notes:**

- Students seeking reappraisal of a piece of graded work (midterm, term paper, essay, etc.) should discuss their work with the instructor *within fifteen days* of the work being returned to the class.
- Late assignments will not be accepted under any circumstances.
- Make-up midterm examinations will not be given under any circumstances. With appropriate documentation, the weight of the midterm will be moved to the final exam.

Deferred examinations will not be given except in cases of extreme personal emergencies. Also, examinations will not be given before the indicated dates.

- Students' exams and assignments will be returned during regular class time.
- **It is the student's responsibility to request academic accommodations.** If you are a student with a documented 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:

Emily Macphail

Phone: 220-3911

E-mail [suypaca@ucalgary.ca](mailto:suypaca@ucalgary.ca)

Students' Union Faculty Representative (Arts)

Phone: 220-3913 Office: MSC 251

E-mail [arts1@su.ucalgary.ca](mailto:arts1@su.ucalgary.ca), [arts2@su.ucalgary.ca](mailto:arts2@su.ucalgary.ca), [arts3@su.ucalgary.ca](mailto:arts3@su.ucalgary.ca), [arts4@su.ucalgary.ca](mailto:arts4@su.ucalgary.ca)

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

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

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career partnerships with the Career Centre through hosting industry nights and information sessions, recognizing achievements in teaching, and organizing social events for members. Join now by contacting [sue@ucalgary.ca](mailto:sue@ucalgary.ca).

*Faculty of Arts Program Advising and Student Information Resources*

- Have a question, but not sure where to start? The new Faculty of Arts Program Information Centre (PIC) is your information resource for everything in Arts! Drop in at SS110, call us at 403-220-3580 or email us 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.
- For program planning and advice, contact the Student Success Centre (formerly the Undergraduate programs Office) at (403) 220-5881 or visit them in their new space on the 3<sup>rd</sup> Floor of the Taylor Family Digital Library.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at (403) 210-ROCK [7625] or visit them at the MacKimmie Library Block.

Safewalk / Campus Security: 403-220-5333  
Emergency Assembly Location – Professional Faculties Food Court

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