

April 8,2012

Introduction: I intend to offer you the essence of the most common revealed preference technique e.g. hedonic approach for non-market goods. The basic microeconomics knowledge is required such as utility functions, optimization with constraints, i.e. LaGrange multiplier. But the students who really want to study the foundations of economics are welcome and can get the methods to analyze human and economic behaviors by the help of mathematical modeling. **Please read chapters 7,2,3,4,5 and 1 of Hal Varian's "microeconomics analysis" those who do not have knowledge of intermediate level of economics.**

I will talk about cost benefit analysis and valuation methods for public policy and projects including ordinal estimations for market goods and stated preference methods, such as contingent valuation, in environmental and ecological economics.

It should be noted that all students except students who are registered as part time students, i.e. **Shakaijin**, have to take normal class in English. **Shakaijin** students must e-mail me by 13th of April 2011 in order to know the schedule of the class. Those who do not attend the first class cannot get credit of this subject.

All students are asked to see and bring my text book which you can borrow from social engineering departmental library or main library.

1 April 12:

Introduction Chapter 1 and 2 hedonic, TCM , CVM, CE

What is willingness to pay?

Revealed preference and consumer's surplus

Schumacher's critics

Traditional hedonic history

Hedonic price and hedonic price function

We will discuss the critics of Schumacher and the role of preference revelation method.

2 April 19 :Chapter 2 hedonic

Rosen's model, His economics model, Rosen's two stages method and his followers Brown and Rosen's and Scotchmer's criticism

3 and 4 April 26, May 10: do

5,6,7 May 17,24,31: Chapter 3 valuation measure, such as EV and two region general equilibrium model.Kanemoto's overestimation and equality theorem, capitalization, overestimation theorem and equality theorem. And Hidano lab's extension.

8. June 7: Heterogeneity

9. June 14: Midterm exam.

10. June 21: General equilibrium model for Large national project and overestimation ratio

11,12 July 12,19: Several valuation examples in environmental economics, Chapter 6: CVM
Contingent valuation methods and incentive compatibility
13. July 26 Examples of cost benefit analysis