

Cost-Benefit Analysis

Academic Year: (2021 / 2022)

Review date: 10-09-2020

Department assigned to the subject: Economics Department

Coordinating teacher: MORENO RUIZ, DIEGO

Type: Electives ECTS Credits : 6.0

Year : 1 Semester : 2

REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)

Intermediate microeconomics and basic calculus.

OBJECTIVES

- Teaches students the standards of precision and rigor in economic analysis and professional communication.
- Emphasizes autonomous and group learning.
- Familiarizes students with a set of tools appropriate for cost-benefit analysis.
- Teaches students to set up and analyze some of the most common applications.

DESCRIPTION OF CONTENTS: PROGRAMME

1. Introduction
2. The economic evaluation of social benefits
3. Indirect effects and wider economic benefits
4. Opportunity costs, market and shadow prices
5. Economic valuation of non-marketed goods
6. Discounting and decision criteria
7. Uncertainty and risk analysis
8. Applications

LEARNING ACTIVITIES AND METHODOLOGY

- Lectures in which the basic material is presented and discussed. Basic textbook references are provided with to complete and deepen students understanding.
- Solving and discussing practical exercises in the classroom as well as problem sets to provide students with feedback on their level of understanding and difficulties.
- When applicable, resolution of case studies individually and/or in group.
- Discussion in class under instructor moderation of topics.
- Production of papers and reports individually or in group.

ASSESSMENT SYSTEM

Discussion of Case Studies (20%); Practical Problems in CBA (20%); Final Exam: 60%.

% end-of-term-examination:	60
% of continuous assessment (assignments, laboratory, practicals...):	40

BASIC BIBLIOGRAPHY

- Boardman, A., D. Greenberg, A. Vining and D. Weimer Cost-Benefit Analysis: Concepts and Practice. 3rd edition, Prentice Hall, 2005
- De Rus, Ginés Introduction to Cost-Benefit Analysis: Looking for Reasonable Shortcuts, Edward Elgar, 2010
- Johansson, P-O An Introduction to Modern Welfare Economics, University Press, Cambridge, 1991
- Johansson, P.-O. Cost-Benefit Analysis of Environmental Change., Cambridge University Press, Cambridge., 1993
- P.-O. Johansson and B.Krström Cost-Benefit Analysis for Project Appraisal, Cambridge UP, 2016

