



**EC303- Economic Evaluation in the Public Sector, Fall 2015**

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**Text:** *Cost-Benefit Analysis: Concepts and Practice*, 4th Edition, Boardman, Greenberg, Vining, and Weimer, Upper Saddle River, NJ: Pearson Education.

Additional resources can be found on MyLearningSpace.

**Office Hours:** Wednesday 9:30-11:30 am. Office: P2045

**Grading:**

Midterm Exam (30%)

Final Exam (40%)

Two Assignments (7.5% each)

Final Project (15%)

**Syllabus:** Anticipated coverage of the text, subject to change, is as follows:

**Covered on Exam I:** Chapter 1, 2, 3, 4, 5, 6, and 7

**Covered on Final Exam:** Chapter 10, 13, 14, 15, 16 (and 18 if time permits)

**Goals:** The principle of economic efficiency suggests that resources should be allocated to their highest valued uses. Cost-benefit analysis is just the practical attempt at using this economic efficiency criterion when making and evaluating decisions in the public sector. This course will provide both the conceptual foundation and practical skills needed to work as a policy analyst and to continue further education in economics, law, and various public policy programs. At the end of this class, students will be able to conduct cost-benefit analysis of public investment as well as how to evaluate the benefits and costs of other policy changes.

**Expectations:** It is expected that students have and/or are willing to develop a sound foundation in intermediate-level microeconomics. The course includes a review of materials that are directly relevant for cost benefit analysis. It is also expected that students have easy access to a computer and are familiar with basic features of spreadsheet program. You are expected to do most of your learning outside of the classroom. There will not be time in class for you to do a lot of problems yourself. If you must miss a class, you are expected to find out what happened. You are responsible for everything that goes on in class.

**Graded Work:** the midterm exam is tentatively scheduled for Tuesday October 20<sup>th</sup>, 2015. The final exam will be between December 12<sup>th</sup> and 23<sup>rd</sup>, 2015, the exact date will be determined by the registrar. There will be two assignments and will be announced in class 10 days before the due date. These assignments require you to use spreadsheet program. As a final project, each student is expected to write a 3-4 page single spaced memo that summarizes a real-world cost benefit study. The due date for the final project is at the beginning of last class. Further information will be discussed in class.

There will be **no make-ups** for missed work.

Wilfrid Laurier University uses software that can check for plagiarism. Students may be required to submit their written work in electronic form and have it checked for plagiarism.

**Students with disabilities or special needs** are advised to contact Laurier's Accessible Learning Centre for information regarding its services and resources. Students are encouraged to review the Calendar for information regarding all services available on campus.

## Course Schedule

Week	Dates	Topic	Chapter	Case Studies
1	Sep 10	Introduction and Conceptual framework	1, 2	
2	Sep 15 - 17	Microeconomics Foundations	3	
3	Sep 22- 24	Valuing Benefits in Primary Markets	4	
4	Sep 29 – Oct 1	Valuing Costs in Primary market, Secondary markets	4, 5	
5	Oct 6 - 8	Discounting Benefits and Costs, treating Uncertainty	6, 7	
6	Oct 13 - 15	No classes, reading week		
7	Oct 20- 22	Midterm exam: October 20  October 22: Social Discount Rate	10	
8	Oct 27 -29	Social Discount Rate	10	
9	Nov 3 -5	Valuing Impacts from Observed Behaviors: Direct Estimation of Demand Curve	13	Case 1
10	Nov 10 – 12	Valuing Impacts from Observed Behaviors: Indirect Market Methods	14	Case 2
11	Nov 17 - 19	Contingent Valuation	15	Case 3
12	Nov 24 - 26	Shadow Price from Secondary Sources	16	Case 4
13	Dec 1 -3	Cost-effectiveness	18	Case 5
14	Dec 8	Review		Final Project due date

	Dec 12 - 23	Final Exam Period		
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