

# ECON 455W/555: Cost-Benefit Analysis

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**Office Hours:** MW 10:00-1:00 & by appointment

**Office:** Pray-Harrold 703J

**Class Hours:** TR 3:30-4:45pm

**Class Room:** Porter 214

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## Course Description

### Course Overview

Cost-benefit analysis involves the use of microeconomics to assess the costs and benefits of policies or investments. Drawing on a mixture of economic theory and real-life studies, this course provides students with the theoretical foundations and practical skills to understand, assess, and conduct cost-benefit analyses.

### Prerequisites

ECON 201 and ECON 202

### Course Materials

**Required:** Boardman, Greenberg, Vining, and Weimer. Cost-Benefit Analysis: Concepts and Practice (Fifth Edition).

## Course Structure

### Canvas

All announcements, assignments, quizzes, grades, and extra materials will be posted on canvas; you are responsible for all materials posted on canvas. The canvas announcements in this course will contain critical information, so make sure you are receiving them. If you have any difficulties accessing canvas it is your responsibility to resolve the issue; for help with canvas you can contact the IT Help Desk at 734-487-2120 or visit their [website](#).

## Grading Policy

Your final course grade will be based solely on your performance in the course and will be a weighted average of the graded components of this course:

- 20% Midterm Exam
- 30% Final Exam
- 30% Term Paper
- 20% Assignments

Once all coursework is graded, I will assign final letter grades according to the following distribution:

|           |    |
|-----------|----|
| Above 93% | A  |
| 90-92%    | A- |
| 87-89%    | B+ |
| 83-86%    | B  |
| 80-82%    | B- |
| 77-79%    | C+ |
| 73-76%    | C  |
| 70-72%    | C- |
| 67-69%    | D+ |
| 63-66%    | D  |
| 60-62%    | D- |
| Below 60% | F  |

I will **not** round your grade; please do not ask. **Note:** If you are taking this course as ECON 555, a 70% is required to pass; grades below 70% will be given an F.

## Assessments

**Exams:** There are two exams for this course. The midterm is scheduled for **Thursday, February 23, 3:30-4:45pm** and the final exam is **Tuesday, April 25, 3:00-4:30pm**. Detailed exam procedures will be posted on Canvas and announced in class before each exam.

**Assignments:** Assignments are due **Friday at 11:59pm** on Canvas. Homework assignments will be announced on Canvas. A short presentation summarizing a cost-benefit analysis will be part of the homework grade. See Canvas for details. Please see the course schedule at the end of the syllabus for topics and anticipated due dates. **Late Assignment Policy:** There is a 48 hour grace period after which homework will still be accepted for full credit, no questions asked. After this, assignments will not be accepted for credit, unless an extension has been approved by the instructor.

**Term Paper:** All students must write a term paper. In addition to the final paper, an initial outline and first draft must be submitted (please see course schedule below for these term paper checkpoints). In the paper, the student will present a cost-benefit analysis, carefully describing

which costs and benefits should be included and how they should be calculated. Specific instructions and a grading rubric will be provided. The final draft of the term paper is due Friday of finals week at 11:59pm.

## Course Policies

### Make-up Assignments

If you cannot take the exam at the scheduled exam time and you know beforehand, please contact me **before the scheduled exam time**. Unless there are extreme circumstances, I do not offer make-up assignments after the deadline has passed. In such extreme circumstances that cause you to miss a midterm exam, I will consider re-weighting your grade towards the final exam. To qualify for re-weighting, you must notify me within two days after an exam. You should work with the Dean of Students' office to provide verification that your absence was due to an extreme circumstance.

### Attendance Policy

Your grade will not formally depend on your attendance during the lectures, but you are responsible for everything covered in class. Any notes posted to Canvas are not intended to be a perfect substitute for class time.

### Email and Office Hours Policy

My office hours are specific times set aside for you. I encourage you to stop in during these hours to ask any questions or discuss any material from the course. If you cannot make my office hours, please e-mail me and we can set up an appointment.

The best way to contact the professor is via e-mail. You can expect a response from me within **48 hours** during business hours. All communication should come from your Eastern Michigan University email address or through Canvas.

### Academic Integrity and Honesty

Any violations of the academic integrity policy will result in a failing grade for the assignment or exam and a complaint may be filed with the University's Academic Integrity Office. Cheating or plagiarism of any form will not be tolerated (using AI, such as ChatGPT, is considered plagiarism).

In addition to the articulated course specific policies and expectations, students are responsible for understanding all applicable university guidelines, policies, and procedures outlined in the [EMU Student Handbook](#). For questions about any university policy, procedure, practice, or resources, please contact the Office of the Ombuds: 248 Student Center, 734-487-0074, [emu\\_ombuds@emich.edu](mailto:emu_ombuds@emich.edu), or visit the [website](#). For a list of EMU course policies, please click [here](#).

## Accessibility and Accommodations

Eastern Michigan University is committed to providing equal opportunity for participation in all university programs, services and activities. Requests for accommodations by persons with disabilities may be made by contacting the Disability Resource Center (DRC), 246 Student Center, 734-487-2470. Once your eligibility for an accommodation has been determined, you will be issued a letter of accommodation (LOA). Please present your LOA to me at the start of the academic semester or once it has been distributed to you by the DRC.

## Schedule and weekly learning goals

The schedule is tentative and subject to change. Any changes to the schedule will be announced in class and on Canvas. The learning goals below should be viewed as the key concepts you should grasp after each week, and also as a study guide before each exam, and at the end of the term.

### Week 01, 01/09 - 01/13: Introduction

- Chapter 1

### Week 02, 01/16 - 01/20: Conceptual Foundations of CBA

- Chapter 2
- Assignment 1 due Friday at 11:59pm

### Week 03, 01/23 - 01/27: Microeconomic Foundations of CBA

- Chapter 3

### Week 04, 01/30 - 02/03: Valuing Impacts in Primary Markets

- Chapter 5
- Assignment 2 due Friday at 11:59pm

### Week 05, 02/06 - 02/10: Valuing Impacts in Secondary Markets

- Chapter 6, 7
- Term paper topic outline due Friday at 11:59pm

### Week 06, 02/13 - 02/17: Predicting and Monetizing Impacts

- Chapter 8
- Assignment 3 due Friday at 11:59pm

**Week 07, 02/20 - 02/24:** Midterm Week

- Midterm **Thursday February 23 at 3:30-4:45pm**

**Week 08, 02/27 - 03/03:** Spring Break; No class.

**Week 09, 03/06 - 03/10:** Discounting

- Chapter 9, 10
- Assignment 4 due Friday at 11:59pm

**Week 10, 03/13 - 03/17:** Revealed Preferences

- Chapter 14, 15

**Week 11, 03/20 - 03/24:** Contingent Valuation

- Chapter 16
- Assignment 5 due Friday at 11:59pm

**Week 12, 03/27 - 03/31:** Valuation of Non-Market Goods

- Chapter 13, 17
- Term paper first draft due Friday at 11:59pm

**Week 13, 04/03 - 04/07:** Sensitivity Analysis

- Chapter 11
- Assignment 6 due Friday at 11:59pm

**Week 14, 04/10 - 04/14:** Uncertainty

- Chapter 12

**Week 15, 04/17 - 04/21:** Extra Topics/Final Exam Review

- Assignment 7 due Friday at 11:59pm

**Week 16, 04/24 - 04/28:** Final Exam Week

- Final Exam **Tuesday, April 25 at 3:00-4:30pm**
- Term paper due by Friday at 11:59pm