

COURSE SYLLABUS
ECNS 432: Benefit-Cost Analysis
Fall 2018

Read this syllabus carefully. It represents a contract between you and the instructor of the course. Continued enrollment in the course will be interpreted as your acceptance of this contract.

Class Schedule: 9:25am to 10:40am on Tuesday and Thursday (Wilson Hall 1116)

Professor: Dr. Mark Anderson

Email and course webpage: dwight.anderson@montana.edu; www.dmarkanderson.com

Office Hours: Tuesday 3:00 pm to 5:00 pm (307E Linfield Hall)

Course prerequisites: ECNS 301 (Intermediate Microeconomics)

Required textbooks: -Boardman et al., *Cost-Benefit Analysis, 4th Edition* (Book is out of print and unavailable at the MSU bookstore. It can be purchased online and older editions are cheap. I will be posting pdf scans of each chapter on the class webpage.)

Course overview and objectives: Senior capstone course. Applied welfare economics and methods for evaluating the costs and benefits of public policies. Applications include health-, crime-, environmental-, and labor-related issues. The objective of the course is to teach students how to critically evaluate and analyze policy from a causal perspective.

Grades: Quizzes: 15% (**We will generally have weekly quizzes on Tuesdays**)

Midterm: 15% (**In-class midterm on October 4th**)

Final: 15% (**2-3:50pm December 11th**)

Group Presentation of Journal Article: 5%

Term Paper: 50% (5% for research proposal; 5% for in-class presentation and attendance of classmates' presentations; 5% for peer review of classmate's paper; 35% for final paper)

-Research paper proposal due on September 25th

-First draft of term paper due to peer reviewer on November 15th

-Reviewer reports due on November 27st

-In-class individual presentations will be held during the last two weeks of the semester

-Term paper due on December 6th

Material we will cover:

Fundamentals of CBA

- Introduction to CBA and Microeconomic Foundations (Ch. 1, 2, and 3 of Boardman et al.)
- Valuing Benefits and Costs in Primary and Secondary Markets (Ch. 4 and 5 of Boardman et al.)
- Discounting Benefits and Costs; Uncertainty (Ch. 6 and 7 Boardman et al.)
- Option Price and Value; Existence Value (Ch. 8 and 9 Boardman et al.)
- Social Discount Rate; Predicting and Monetizing Impacts (Ch. 10 and 11 Boardman et al.)
-Depending on time constraints, we may skip these two chapters.

Valuation of Impacts

- Valuing Impacts from Observed Behavior: Experiments/Quasi-Experiments (Ch. 12 of Boardman et al.)
- Valuing Impacts from Observed Behavior: Direct Est. of Demand Curves (Ch. 13 of Boardman et al.)
- Valuing Impacts from Observed Behavior: Indirect Market Methods (Ch. 14 of Boardman et al.)
- Contingent Valuation: Using Surveys to Elicit Information (Ch. 15 of Boardman et al.)
- Shadow Prices from Secondary Sources (Ch. 16 of Boardman et al.)
-Depending on time constraints, we may skip this chapter.

Grades of "Incomplete": In accordance with MSU policy, incomplete grades will not be assigned except for cases of extreme personal hardship or unusual academic situations that are certified by the Dean of Students. See the "Courses, Credits, and Grades" section of the MSU online catalog (<http://www.montana.edu/wwwcat/academic/acad6.html#IGrade>) for more information.

Academic Misconduct: MSU has developed expected standards of student academic honesty and integrity. Students who violate these standards commit academic misconduct and will be subject to academic and/or disciplinary sanctions. You are expected to read and comply with the guidelines concerning academic integrity contained in the document, *Conduct Guidelines and Grievance Procedures for Students*, available at http://www2.montana.edu/policy/student_conduct/student_conduct-code_2008-2009.htm

Other Notes:

- Undergrad study rooms: There is an undergrad econ study room in Linfield Hall 404 and a computer room in Linfield Hall 409A. They are open Monday-Friday from 8am-5pm.