

REVISED COURSE SYLLABUS

ECNS 432: Benefit-Cost Analysis (Spring 2020)

Class Schedule: 1:40pm to 2:55pm on Tuesday and Thursday (Linfield Hall 234)

Professor: Dr. Mark Anderson

Email: dwright.anderson@montana.edu

Office Hours: Tuesday 11:00 am to 1:00 pm (307E Linfield Hall)

Course webpage: www.dmarkanderson.com

Course prerequisites: ECNS 301 (Intermediate Microeconomics)

Textbooks: -Boardman et al., *Cost-Benefit Analysis, 4th Edition* (Older editions on Amazon work fine)

Grades: Quizzes: 15% (**We will no longer have weekly quizzes after spring break**)

Midterm: 15% (**In-class midterm on March 10th**)

Final: 20% (**2-3:50pm May 5th**) – **Unless we go back to having in-person lectures, this will likely take the form of a take-home final exam.**

Group Article Presentations: **Cancelled**

Term Paper: 50% (5% for research proposal; 45% for final paper)

-Research paper proposal due on Feb 6th

-First draft of term paper due to peer reviewer on April 7th (Cancelled)

-Reviewer reports due on April 14th (Cancelled)

-In-class individual presentations from April 16th to April 30th (Cancelled)

-Term paper due on April 30th

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.)

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.)

Learning Outcomes:

By participating in this class, students will:

- 1.) Learn the classic rational choice model of crime and theory of deterrence
- 2.) Learn the role of risk preferences in the benefit/cost analysis of the crime decision
- 3.) Learn the seminal neighborhood crime model and its extension to gang activity
- 4.) Gain a working knowledge of the basic game theoretic applications to crime
- 5.) Gain exposure to a large empirical literature on the economics of crime and risky behavior
- 6.) Develop an understanding of how well-defined natural experiments can be leveraged to determine causal relationships within the context of crime and risky behaviors

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.