



B.E. International Program

Faculty of Economics, Thammasat University



Course Outline

EE 465/EE463 Project Evaluation

Semester 2/2014 (January 12 – May 10, 2015)

Number of credits: 3 credits

Lecture Time: Tuesdays and Thursdays, 9.30 – 11.00 hrs

Lecture Venue: Room 203, Faculty of Economics

Instructor: Phatta Kirdruang, PhD

Office: Room 428, Faculty of Economics

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Office hours: Tuesdays and Thursdays, 14.00 – 15.00 hrs
and by appointment

Course Description:

Welfare economics framework as a basis for project evaluation in economic; Project evaluation in the forms of cost-benefit analysis, cost effectiveness analysis, and other analytical methods, with the application to various case studies.

Course Objectives:

1. Students are expected to understand microeconomic and welfare economics concepts, and be able to apply these concepts for project evaluation.
2. Students should be able to conduct a project evaluation by using cost-benefit analysis.

Prerequisites:

a) EE212 and EE311 or b) EE214 and EE311 and c) Completion of at least one 400-level subject in field 3 to field 9.

Required Textbooks/Readings:

- Boardman, A., Greenberg, D., Vining, A., & Weimer, D. (2010). *Cost-Benefit Analysis: Concepts and Practice*. Fourth Edition. Prentice Hall.
- Journal articles as specified in the lecture schedule.

Complementary Textbooks:

- Mishan, E. J., & Quah, E. (2007). *Cost-Benefit Analysis*. Routledge.
- Campbell, H. F. (2003). *Benefit-Cost Analysis: Financial and Economic Appraisal Using Spreadsheets*. Cambridge University Press.

Lecture Schedule:

Week	Topic and Readings (*= Required)	Activity
1 (Jan 13, 15)	Introduction to Cost-Benefit Analysis and Conceptual Foundation <u>Readings:</u> - *Boardman., ch. 1-2 - Arrow, K.J. et al. 1996. "Is There a Role for Benefit-Cost Analysis in Environmental, Health and Safety Regulation?" <i>Science</i> . 272:221-222.	
2 (Jan 20, 22)	Microeconomics of Cost-Benefit Analysis <u>Readings:</u> - *Boardman, ch.3	
3 (Jan 27, 29)	Valuing Benefits and Costs in Primary Markets <u>Readings:</u> - *Boardman, ch.4	
4 (Feb 3, 5)	Valuing Benefits and Costs in Secondary Markets <u>Readings:</u> - *Boardman, ch.5	
5 (Feb 10, 12)	Discounting Benefits and Costs in Future Time Periods <u>Readings:</u> - *Boardman, ch.6 - Arrow, K. et al. 2013. "Determining Benefits and Costs for Future Generations." <i>Science</i> . 341: 349-350.	
6 (Feb 17, 19)	The Social Discount Rate <u>Readings:</u>	

	- *Boardman, ch.10	
7 (Feb 24, 26)	The Social Discount Rate (cont'd) and class wrap-up <u>Readings:</u> - *Boardman, ch.10	
8 (March 5)	MIDTERM	
9 (Mar 10, 12)	Dealing with Uncertainty <u>Readings:</u> - Boardman, ch. 7	
10 (Mar 17, 19)	Valuing Impacts from Observed Behavior: Indirect Market Methods <u>Readings:</u> - Boardman, ch. 14 - Fezzi, C., I.J. Batemen, and S. Ferrini. 2014. "Using Revealed Preferences to Estimate the Value of Travel Time to Recreation Sites." <i>Journal of Environmental Economics and Management</i> . 67: 58-70	
11 (Mar 24, 26)	Nonmarket Valuation Using Stated Preferences: The Value per Statistical Life <u>Readings:</u> - Boardman, ch. 13 - Corso, P.S., J.K. Hammitt, and J.D. Graham. 2001. "Valuing Mortality-Risk Reduction: Using Visual Aids to Improve the Validity of Contingent Valuation." <i>Journal of Risk and Uncertainty</i> . 23(2):165-184. - Robinson, Lisa A., and James K. Hammitt. 2014. "Research Synthesis and the Value per Statistical Life." <i>Regulatory Policy Program Working Paper RPP-2014-14</i> . Cambridge, MA: Mossavar-Rahmani Center for Business and Government, Harvard Kennedy School, Harvard University.	
12 (Mar 31, Apr 1)	Case Study- Project Evaluation in Transportation <u>Readings:</u> - Boardman, A. E., Laurin, C., Moore, M. A., & Vining, A. R. (2009). A cost-benefit analysis of the privatization of Canadian national railway. <i>Canadian Public Policy</i> , 35(1), 59-83.	
13 (Apr 2, 9)	Case Study- Project Evaluation in Environment <u>Readings:</u> - Choe, K., Whittington, D., & Lauria, D. T. (1996). The	

	economic benefits of surface water quality improvements in developing countries: a case study of Davao, Philippines. <i>Land Economics</i> , 519-537.	
14 (Apr 21, 23)	Case Study- Project Evaluation in Health Care <u>Readings:</u> - Robinson, L.A. and J.K. Hammitt. 2013. "Skills of the Trade: Valuing Health Risk Reductions in Benefit-Cost Analysis." <i>Journal of Benefit-Cost Analysis</i> . 4(1):107-130.	
15 (Apr 28, 30)	Cost-Effectiveness Analysis <u>Readings:</u> - Boardman, ch. 17	
16 (May 7)	Students' Project Presentations and Class Wrap-Up	
May 19	FINAL EXAM	

Note: The class schedule and required readings shown above may be adjusted during the semester as needed.

Assessment:

Assignments	10 %	
Term Report	20%	
Midterm exam	30 %	(Thursday, March 5, 2015, 9.30-11.00 hrs)
Final exam	40 %	(Tuesday, May 19, 2015, 13.30 – 16.30 hrs)

*Note: I reserve the right to modify the percentage of each assessment component. More detail about term report will be distributed in class.

Important Dates:

- ◆ Second semester begins January 12, 2015
- ◆ Period of withdrawal without "W" January 12-26, 2015
- ◆ **Mid-Term Examination** **March 5, 2015 (9.30-11.00 hrs)**
- ◆ Period of withdrawal with "W" March 18-23, 2015
- ◆ **Final Examination** **May 19, 2015 (13.30 –16.30 hrs)**

Last updated – March 10, 2015.