

**York University**  
**Faculty of Liberal Arts & Professional Studies**  
**Department of Economics**  
**Summer 2 2019**

**AP/ECON 3810 3.0M The Economics of Project Appraisal and Feasibility**

**Course Webpage:** <https://moodle.yorku.ca/>

**Course Instructor/Contact:**

Name: Shafkat Ali  
Office: VH 1057  
Office Hours: TBA  
Email: shafkat@yorku.ca

**Lecture Time and Location:**

Lecture: T R 18:00-21:00  
Location: CLH – J

**Prerequisite / Co-requisite:**

AP/ECON 1000 3.00 and AP/ECON 1010 3.00 or equivalents. A course in intermediate microeconomics will be helpful.

**Course Description:**

Covers prefeasibility and feasibility studies of proposed projects, forecasting of demand and plant capacity, estimation of production, sales, costs, and revenues, alternative commercial profitability criteria (net present value, rate of return) for project evaluation and selection, and sensitivity analysis under risk and uncertainty. The first half of the course will discuss the underlying welfare theoretic foundations behind the economics of project feasibility.

**Weighting of Course:**

**Evaluation:** Midterm 40%  
Final 60%

I may assign an optional small project (essentially a feasibility report with clear guidelines) if the midterm grades are not good or if a sufficiently high number of students want to write one.

**Missed exams/Tests:**

**There will be no make-ups for the midterm exam.** If, for some reason students miss the midterm, the weight will be transferred to the final. The deferred exam for the final exam will be granted **only for medical reasons**. In such cases students should submit a deferred exam application together with the supporting documents (attending physician's statement) to the economics department to my attention. The date and time of the deferred exam will be set at a

later date. Students who may require further extensions or accommodation will have to submit a formal petition to the Faculty.

### Grading

The grading scheme for the course conforms to the 9-point grading system used in undergraduate programs at York (e.g., A+ = 9, A = 8, B+ = 7, C+ = 5, etc.). Assignments and tests will bear either a letter grade designation or a corresponding number grade (e.g. A+ = 90 to 100, A = 80 to 90, B+ = 75 to 79, etc.)

### **Course Text:**

We will rely mostly on lecture notes posted on moodle.

### **Organization of the Course (Topics):**

I will update some of the topics so these may be subject to some change

#### Part 1. (Theory)

Social Welfare

The Fundamental Theorems

Shadow Prices and the Social Planner

#### Part 2 (Empirics)

The Social Cost of Goods

The Social Cost of Labour

The Social Cost of Capital

Welfare Weights and Distributional Impacts

Risk Assessment

#### Part 3 (Practice)

(Selected topics to be decided)

### **Important Course Information for Students:**

All students are expected to familiarize themselves with the following information, available on the Senate Committee on Curriculum & Academic Standards webpage;

<http://www.yorku.ca/secretariat/policies/index-policies.html/>

- York's Academic Honesty Policy and Procedures/Academic Integrity Website
- Ethics Review Process for research involving human participants
- Course requirement accommodation for students with disabilities, including physical, medical, systemic, learning and psychiatric disabilities
- Student Conduct Standards
- Religious Observance Accommodation

### **SUMMER 2 2019 SESSIONAL DATES**

**Course start date**

**June 17**

**Last date to add a course  
without permission of  
instructor**

**June 21**

<b><i>Last date to add a course with permission of instructor</i></b>	<b><i>June 28</i></b>
<b><i>Last date to drop course without receiving a grade</i></b>	<b><i>July 15</i></b>
<b><i>Reading Week</i></b>	
<b><i>Study days</i></b>	<b><i>July 30</i></b>
<b><i>Course end date</i></b>	<b><i>July 29</i></b>
<b><i>Examinations</i></b>	<b><i>July 31- Aug. 9</i></b>