

**York University**  
**Faculty of Liberal Arts & Professional Studies**  
**Department of Economics**  
**S2 2020**

**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  
Email: shafkat@yorku.ca

**Lecture Time and Location:**

Lecture: T R 18:00-21:00

**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 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.

**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.

**Supplementary Text:** (Should be available on the internet; if not, don't worry)

The Welfare Economics of Public Policy: A Practical Approach to Project and Policy Evaluation  
Richard E. Just, Darrell L. Hueth, Andrew Schmitz, 2004

**Organization of the Course (Topics may be subject to changes):**

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

<u>Important dates</u>	<b>S 2 2020</b>
Last date to add a course <b>without permission</b> of instructor (also see Financial Deadlines)	Jul. 3
Last date to add a course with permission of instructor (also see Financial Deadlines)	Jul. 10
Last date to drop a course without receiving a grade (also see Financial Deadlines)	Jul. 30
<b>Course Withdrawal Period (withdraw from a course and receive a grade of "W" on transcript – see note below)</b>	<b>Jul. 30-Aug 12</b>

**\*\*Policy and Guidelines on Withdrawn from Course:** <http://secretariat-policies.info.yorku.ca/policies/withdrawn-from-course-w-policy-and-guidelines/>  
<https://registrar.yorku.ca/enrol/dates/fw19>