

York University
Faculty of Liberal Arts & Professional Studies
Department of Economics
Fall 2021
AP/ECON 3810 3.0A
The Economics of Project Appraisal and Feasibility

Instructor: Shafkat Ali, ATK 404, , email: shafkata@yorku.ca

Time and Location: W 19:00-21:00, online at <https://eclass.yorku.ca/eclass/>

Textbook: We will rely mostly on posted lecture notes and the videos

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.

Prerequisite / Co-requisite:

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

Grading: There will be a midterm exam and a final. They will count toward the grade as follows. 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.

Midterm	40%
Final	60%.

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.)

Exams: The midterm exam will be on Wednesday, October 20, classtime. The final exam is on the exam period announced by the Registrar's office.

Missed exams:

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.

Topics

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

Important Dates

Classes start	Sept. 8
Last date to announce components of final grades	Sept. 21
Fall Reading Week	Oct. 9-15
Last date to submit Fall term work	Dec. 7
Fall classes end	Dec. 7
Fall examinations	Dec. 9-23