

AP/ECON 3810 3.0M

The Economics of Project Appraisal and Feasibility

Department of Economics
York University

Winter 2026

Course Information

- **Faculty:** Faculty of Liberal Arts & Professional Studies
- **Department:** Economics
- **Course Website:** <https://eclass.yorku.ca/>

Instructor Information

- **Instructor:** Shafkat Ali
- **Office:** ATK 404
- **Email:** shafkata@yorku.ca

Lecture Time and Location

- **Lecture:** Wednesday, 16:00–18:50
- **Location:** R S 137

Prerequisites

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

Course Description

This course 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, internal rate of return) for project evaluation and selection, and sensitivity analysis under risk and uncertainty.

The first half of the course focuses on the welfare-theoretic foundations underlying the economics of project feasibility.

Evaluation

- **Midterm Examination:** 40%
- **Final Examination:** 60%

Missed Examinations

There will be no make-ups for the midterm examination. If a student misses the midterm, the weight will be transferred to the final examination. If the final examination percentage is higher than the midterm percentage, the final examination will count for 100%.

Deferred final examinations will be granted only for documented medical reasons. Students must submit a deferred exam application along with supporting documentation (attending physician's statement) to the Department of Economics. The date and time of the deferred examination will be determined later.

Requests for further extensions or accommodations must be submitted as a formal petition to the Faculty.

Grading Scheme

The grading scheme conforms to York University's 9-point grading system used in undergraduate programs (e.g., A+ = 9, A = 8, B+ = 7, C+ = 5, etc.). Assignments and tests may be graded using either letter grades or corresponding numerical grades.

Course Materials

Primary Textbook:

Mishan, E. J., & Quah, E. (2007). *Cost-Benefit Analysis* (5th ed.). Routledge.

Additional Materials:

Lecture notes and supplementary readings will be posted on eClass.

Organization of the Course

Part I: Theory

- The Economic Environment
- Broad Economic Criteria for Projects
- Social Welfare
- Shadow Prices and the Social Planner
- Feasibility Criteria (NPV, IRR)

Part II: Practice

Application of the theoretical material to a real-world case study (the Trans Mountain Pipeline Expansion Project), time permitting.

Important Dates

- Classes begin (Winter term): January 5, 2026
- Winter Reading Week: February 14–20, 2026
- Winter classes end: April 6, 2026
- Winter Study Day: April 7, 2026
- Winter examinations: April 8–24, 2026

Important Course Information for Students

Students are expected to familiarize themselves with relevant university policies, including:

- Academic Honesty and Academic Integrity
- Ethics Review Process for research involving human participants
- Accommodation for students with disabilities
- Student Conduct Standards
- Religious Observance Accommodation

Relevant policies are available at: <http://www.yorku.ca/secretariat/policies/index-policies.htm>