York University

Faculty of Liberal Arts & Professional Studies | Department of Economics

AP/ECON 3810 3.0 M

The Economics of Project Appraisal and Feasibility

Fall 2026 | Course Outline

1. Course Information

Course / Section	AP/ECON 3810 3.0 A | A LECT 01
Session / Campus	Fall 2026, F Term | York/Keele Campus
Lecture / Room	Wednesday, 19:00-21:50 | YK DB 0014
Instructor / Email	Shafkat Ali | shafkata@yorku.ca
Course Website / Office Hours	eClass | To be announced on eClass

2. Prerequisites

AP/ECON 1000 3.00 and AP/ECON 1010 3.00, or equivalents. A course in intermediate microeconomics will be helpful. Students are responsible for ensuring that they have successfully completed the prerequisites and are eligible to take the course.

3. Calendar/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 for project evaluation and selection, including net present value and rate of return, and sensitivity analysis under risk and uncertainty. The course also discusses the welfare-theoretic foundations of project appraisal, including social welfare, shadow prices, and the relationship between private profitability and social cost-benefit analysis.

4. Learning Objectives

By the end of the course, students should be able to:

1. Explain the economic logic of project appraisal and feasibility analysis.
2. Distinguish between private/commercial profitability and social cost-benefit analysis.
3. Apply net present value, internal rate of return, benefit-cost ratio, and related criteria.
4. Forecast demand and relate demand forecasts to plant capacity and project scale.
5. Estimate project costs, revenues, and cash flows.
6. Explain the role of shadow prices and social opportunity costs in public project evaluation.
7. Conduct basic sensitivity analysis under risk and uncertainty.
8. Interpret project appraisal results clearly and critically.

5. Required Text and Materials

Main text: E. J. Mishan and Euston Quah, *Cost-Benefit Analysis*. Routledge. Additional notes, readings, numerical examples, and practice problems will be posted on eClass. Students are responsible for checking eClass regularly.

6. Evaluation

Assessment	Weight	Tentative Timing
Midterm Test	40%	Wednesday, October 21, 2026, in class
Final Examination	60%	Official Fall examination period, December 10-23, 2026

The midterm date is tentative and will be confirmed on eClass. The final examination date, time, and location will be scheduled by the University. Students should not make travel or other commitments during the official examination period.

7. Fall Reading Week

There will be no class meetings during Fall Reading Week, October 10-16, 2026. In particular, there will be no class on Wednesday, October 14. The midterm is tentatively scheduled for Wednesday, October 21, 2026.

8. Missed Tests and Deferred Standing

There will be no make-up test for the midterm. If a student misses the midterm for a valid and documented reason accepted by the instructor and/or Department, the weight of the midterm will be transferred to the final examination.

Deferred standing for the final examination will be granted only in accordance with York University and Department of Economics procedures. Students wishing to submit a deferred-standing application should follow the link below for instructions, requirements, and the application process:

[Department of Economics Deferred Standing Policy and Application]

The date and time of any deferred examination will be set later by the Department or University. Students who require further extensions or accommodation beyond the deferred examination process may need to submit a formal petition to the Faculty.

9. Grading

The grading scheme conforms to the 9-point grading system used in undergraduate programs at York University. Assignments, tests, and examinations may be reported using either letter grades or corresponding numerical grades.

Letter Grade	Grade Point	Approximate Percentage Range	Interpretation
A+	9	90-100	Exceptional
A	8	80-89	Excellent
B+	7	75-79	Very Good
B	6	70-74	Good
C+	5	65-69	Competent
C	4	60-64	Fairly Competent
D+	3	55-59	Passing
D	2	50-54	Marginally Passing
E	1	40-49	Marginally Failing
F	0	0-39	Failing

10. Tentative Course Schedule

The schedule may be adjusted depending on class progress. The Fall term begins September 9 and ends December 8. There are no classes during Reading Week, October 10-16.

Date	Topic
Wed. September 9	Introduction to project appraisal and feasibility analysis; private versus social evaluation
Wed. September 16	Project criteria: net present value, internal rate of return, benefit-cost ratio
Wed. September 23	Demand forecasting, market analysis, and plant capacity
Wed. September 30	Estimation of costs, revenues, and cash flows
Wed. October 7	Welfare foundations: consumer surplus, producer surplus, and social welfare
Wed. October 14	No class: Fall Reading Week
Wed. October 21	Midterm test (tentative)
Wed. October 28	The fundamental theorems, social planning, and project selection
Wed. November 4	Shadow prices, opportunity cost, and distortions
Wed. November 11	Cost-benefit analysis in practice: public projects and externalities
Wed. November 18	Distributional issues; risk, uncertainty, and sensitivity analysis
Wed. November 25	Applications and numerical project appraisal examples
Wed. December 2	Review; integration of course themes
December 10-23	Final examination period; exact date, time, and location to be scheduled by the University

11. Course Policies

11.1. Academic Integrity

Students are expected to understand and follow York University's policies on academic honesty and academic integrity. Academic misconduct includes, but is not limited to, plagiarism, cheating, unauthorized collaboration, impersonation, and the use of unauthorized aids during tests or examinations.

11.2. Use of eClass

Course announcements, lecture notes, supplementary materials, and other important information will be posted on eClass. Students are responsible for checking eClass and their York email regularly.

11.3. Class Preparation

Students are expected to attend lectures, review posted materials, complete assigned readings and practice problems, and come prepared to discuss economic concepts and numerical examples.

11.4. Accessibility and Accommodation

York University provides accommodation for students with disabilities, including physical, medical, systemic, learning, and psychiatric disabilities. Students requiring accommodation should follow the appropriate University procedures and contact the relevant York office as early as possible.

11.5. Religious Observance Accommodation

Students requiring accommodation for religious observance should follow York University's procedures and notify the instructor as early as possible.

11.6. Student Conduct

Students are expected to maintain respectful and professional conduct in class, on eClass, and in all course-related communications.

12. Important Fall 2026 Dates

Event	Date
Classes begin	Wednesday, September 9, 2026
Last date to add a course	Tuesday, September 22, 2026
Fall Reading Week	October 10-16, 2026
Fall final examination schedule published	Thursday, October 29, 2026
Last date to drop without receiving a grade	Tuesday, November 10, 2026
Course withdrawal period	November 11-December 8, 2026
Fall classes end	Tuesday, December 8, 2026
Study day	Wednesday, December 9, 2026
Examination period	December 10-23, 2026

Official source: York University Registrar, Undergraduate Fall/Winter 2026-2027 Important Dates.

13. Important University Information

Students are expected to familiarize themselves with York University policies and procedures concerning academic honesty and academic integrity; ethics review for research involving human participants; course requirement accommodation for students with disabilities; student conduct standards; religious observance accommodation; and add/drop deadlines and withdrawal policies.

This outline is a draft prepared for Fall 2026 and may be revised to comply with Department, Faculty, and University requirements.