

THE UNIVERSITY OF TECHNOLOGY SYDNEY

Faculty of Engineering and Information Technology
School of Professional Practice and Leadership

**49003 Economic Evaluations
Spring 2025**

Assignment 1: Deliverables 2

Due date: Week12- 24th of October

Report instruction:

The project evaluation report must contain the following pointers:

1. **Front page:** The cover page must include:
 - Subject code and name
 - Title of your project
 - Full names and student IDs of all group members
 - Percentage contribution of each member (must sum to 100%)
2. **Executive Summary (Maximum 200 words):** Summarise the key findings of your project evaluation, including:
 - A brief overview of the project
 - Main financial and economic costs and benefits
 - Viability assessment outcomes
 - Final recommendation based on your analysis
3. **Project Description:** Provide context and relevance by addressing the following:
 - Project Objectives: Clearly state the purpose and intended outcomes.
 - Microeconomic Context: Explain how the project relates to supply and demand, market structure, pricing, and consumer/producer behaviour.
 - Macroeconomic Context: Describe how the project aligns with national or regional economic priorities, such as GDP growth, employment, or environmental policy.
 - Stakeholders and Beneficiaries: Identify key groups affected and describe expected benefits or impacts.
 - Relevant background or supporting information can be placed in the appendices.
4. **Project Evaluation:** This section requires you to conduct a comprehensive evaluation of your project from both financial and economic (socioeconomic) perspectives. You must identify, classify, quantify, and assess all relevant costs and benefits, then construct cost-benefit analyses and calculate key viability indicators for each perspective.

4a. Data Collection and Classification: Begin by gathering all relevant data for your analysis. For each item, determine whether it is:

- A monetary cost or benefit (i.e., directly measurable in dollar terms based on market prices), or
- A non-monetary cost or benefit (i.e., not traded in markets, such as social, environmental, or health impacts)
- For both financial and economic evaluations, provide a clear explanation of:
 - The types of data used, the sources of each data, and how they were collected. **(included in the appendix)**
 - All key assumptions and the rationale behind them **(Body of report)**

4b. Cost-Benefit Analysis (CBA): Using the data and classification above:

- Prepare a Financial CBA focused on monetary inflows and outflows
- Prepare an Economic CBA that includes broader impacts and non-monetary considerations
- Construct both CBAs based on the frameworks and methods discussed in class.
- Where non-monetary values cannot be quantified, provide a qualitative explanation.

4c. Viability Indicators: Calculate the following indicators for both the financial and economic evaluations:

- Net Present Value (NPV)
- Internal Rate of Return (IRR)
- One additional indicator of your choice (e.g., Payback Period or Benefit-Cost Ratio)
- Ensure it is clear which indicators relate to financial versus economic evaluations.
- Where results differ, provide an explanation and discuss their implications for decision-making.

5. **Project Risk Assessment:** Significant uncertainty will be associated with estimating the project viability indicator(s). This section should provide both quantitative and qualitative analyses to assess project risks.

- Quantitative Risk Assessment: Quantitative risk assessment should be done using a sensitivity analysis technique. Assess how changes in key assumptions (e.g., discount rate, cost estimates, or benefit projections) affect your financial and economic outcomes.
- Qualitative Risk Assessment: This section should provide a qualitative risk assessment of the proposed project. You must present a risk matrix, using the same method discussed in class, to identify and categorise key project risks.

6. **Recommendations and suggestions for further analysis:** Provide a well-reasoned recommendation:

- Is the project viable from both a financial and an economic perspective?
- If the results differ, explain the trade-offs and justify your position
- Highlight any limitations in your analysis and propose areas for further investigation

7. **Bibliography:** List all references using **APA referencing style**. Your submission must include:

- All cited sources that appear in the main body of your report
- Any background materials consulted, even if not directly cited
- Ensure you use APA-style in-text referencing consistently throughout your report.

8. **Appendices:**

- Provide all detailed information related to the data collection (section 4a).
- Ensure this information is presented in a way that is accessible and easy to follow, including:
 - Clear headings for each appendix item
 - References from the main text indicating where each appendix item is relevant

- **You must upload the Excel file developed for this assignment.** The file must show all calculations related to Section 4 (Project Evaluation), including data, cost-benefit analysis tables, and viability indicators for both financial and economic perspectives.

Marking Criteria

Criteria	Points
Executive Summary	1
Project Description	2
Data Collection and Classification	2
Cost-Benefit Analysis (CBA)	2
Viability Indicators	3
Project Risk Assessment	3
Recommendations and Limitations	2
Presentation and In-Text Referencing	2
Appendices and Excel file organisation	3