

**University of Minnesota-Twin Cities
Department of Economics
ECON 4831 Cost-Benefit Analysis
SUMMER 2021 (Remote)**

INSTRUCTOR AND CLASS DETAILS:

Name:	Sergio Barrera & Jorge Ramos-Mercado
Email:	barre593@umn.edu ramos237@umn.edu
Course Meeting time and days:	1:30 PM – 3:30 PM Mon. Tues. Wed – Remote
Class Website:	https://canvas.umn.edu/courses/233092
Zoom Office Hours:	Thursday, 1:00 PM – 3:00 PM, and by appointment.
Office Hours' Zoom ID:	986 9229 1582
Course Credits:	3 credits

REMOTE COURSE DELIVERY:

This is a **Remote** course with no on-campus meetings. **Course lectures will be delivered via Zoom at the times and days mentioned above, with meetings scheduled through the course Canvas website. Office hours take place via Zoom as well.**

You need to log in to your Zoom account at umn.zoom.us, download the desktop app and use meeting IDs stated above to join the proper meetings. The department expects all of you to attend lectures. In the lectures, you are encouraged to keep your camera open, ask questions, make comments, and participate in class discussions. Education research shows that students who participate actively in class understand class material much better and receive higher grades.

COURSE DESCRIPTION AND OBJECTIVES:

The objective of this course is to develop fundamental tools to evaluate economic decisions by using techniques based on measuring the costs and benefits derived from choosing a particular project. Thus, the tools learned in this course are aimed at providing a framework for answering the following question: should a certain policy and project be conducted?

Learning these techniques has two benefits: on the positive side, using this technique to decide which projects should be created will increase economic output in the economy, because this technique is based on allocating resources where they are valued the most. On the normative side, this technique can be used to potentially increase social welfare.

Topics Covered

- Different ways of evaluating policies and projects: CBA vs Common Political Criteria
- Predicting and Monetizing Impacts
- MicroEconomic Foundations of Cost Benefit Analysis
- Demand Curve Estimation
- Valuing Benefits and Costs in Primary Markets
- Experiments and Quasi Experiments
- Valuing Benefits and Costs in Secondary Markets
- Indirect Market Impact Estimation Methods
- Public Choice Theory: Decision Rules Voting
- Discounting Benefits and Costs in the Future
- Social Discount Rates
- Option Price and Option Value
- Shadow Prices from Secondary Sources

COURSE PREREQUISITES:

The prerequisites for this course are Econ 3101 and Math 1271. The material taught in these two classes is essential for understanding what is covered in Econ 4831.

TEXTBOOK:

The textbook for this class is Boardman et al., *Cost-benefit Analysis: Concepts and Practice*. 4th Ed.

LECTURES IN ZOOM:

Lectures will be on Zoom. The link will be on the Canvas page for the course.

POLICIES AROUND ZOOM RECORDINGS AND/OR PRE-RECORDED LECTURES:

This course will include video and audio recordings of class lectures and classroom activities. These recordings will be used for educational purposes and the instructor will make these available to students currently enrolled in this ECON 4831 course, and to no one else.

Students must seek instructor permission in order to share either course recordings or course content/materials with anyone outside of this course. Similarly, instructors who wish to share zoom recordings with other sections or classes must seek and document permission from students whose image or voice are in these recordings.

ONLINE OFFICE HOURS:

I will hold office hours via Zoom on Thursday 1:00-3:00 pm. If you cannot make these hours, please email me and we can set up a meeting by appointment. I will hold extra office hours before exams all details on Canvas.

COMMUNICATION BETWEEN STUDENTS AND INSTRUCTOR:

All the information related to this course can be found on canvas. I recommend that students check canvas page at least twice a week to keep up with course updates. I will post problem sets, any study material, announcements and updates on canvas. In addition, I can always be reached on the university email id (see above). I usually respond to all emails within 48 hours but please remember to put ECON 4831 on the subject line. This helps me get back to you quickly and efficiently.

I will respond to emails within 48 hours. Grades for homework assignments will be posted in Canvas within one week, and for exams, within two weeks.

APPROPRIATE ONLINE CONDUCT:

Please treat each other and the instructor with respect and listen to their views. Respectful interactions are critical to successful professional conduct and this course is no exception. Please consider your tone and language, especially when communicating in text format, as the lack of other cues can lead to misinterpretation. Like other work in the course, all student-to-student communication is governed by the University's [Student Conduct Code](#).

APPROPRIATE USE OF COURSE MATERIALS:

Sharing course materials with anyone outside of the class is a violation of intellectual property per Item 6 of the [U of M policy on student responsibilities](#). Please do not share any course material with anyone else.

TECHNOLOGY REQUIREMENTS AND SKILLS:

These technical requirements will allow you to access the Canvas site successfully, send/receive online communications, complete assigned activities, and view multimedia content.

- A U of M internet ID (your official U of M email address)
- Reliable, high-speed Internet access
- A supported web browser (Mozilla Firefox or Google Chrome are strongly recommended; if you're a Mac user and you like Safari, you may run into problems at some point)
- Laptop, desktop or tablet with a webcam

You are expected to have the ability to use the following technologies: online course site navigation through CANVAS, assignment submission and exam taking in Canvas, Microsoft Office suite tools such as Word, PowerPoint and Excel (or equivalents), and online collaboration and presentation tools. Technical support is available at the UMN [IT help site](#). Information on campus [computer labs and learning spaces](#) are available. The Information Technology page [Working and Learning Off Campus](#) is for students who need help with technology issues.

It is recommended that students use a desktop or laptop computer less than six years old with at least 1GB of RAM, and use the most recent version of Chrome or Firefox with JavaScript enabled. Internet connections should be at least 512kbps.

We ask you to turn on your computer camera/video during class; it helps the instructor and builds classroom community. Please keep your audio turned off in Zoom and turn it on when asking questions or participating in class discussions.

All communication about this course will come to you through the Canvas LMS. During the first week of class, please make sure you set your notifications so that you receive course information. This is your responsibility.

You will take two exams (dates and details later in this syllabus) via Zoom. In case of computer malfunction (losing internet connection and other problems), please send an email to the instructor at once, and I will get back to you with steps to follow. Technical issues will be addressed on a case-by-case basis.

I will not grant due date extensions due to problems you may have with the devices or services you're using. If your personal computer does not have the necessary capabilities to complete the activities and assignments for this course, or if you experience difficulties with your internet connection, you must find alternative computer resources (link mentioned above).

TECHNICAL SUPPORT FOR CANVAS:

For tips and information about Canvas visit the Canvas Guide Using Help - Student: <https://community.canvaslms.com/docs/DOC-10554-4212710328>.

INSTRUCTIONAL TIME AND STUDENT EFFORT:

For undergraduate courses, one credit is defined as equivalent to three hours of additional work per week for the course, in order for students to achieve an average grade. This implies that you should put in at least 9 additional hours per week on this course, along with attending class for 150 minutes per week.

COURSE REQUIREMENTS AND GRADING:

Activities and assignments in this class include:

- Two Homework assignments:
- In Class Presentation and Write Up
- Two Midterm Exams:

Details of each assignment or activity will be provided on Canvas. Extra credit may be offered in this course.

POLICY PROPOSAL AND PRESENTATION

As part of this course, you will be required in groups of 2-3 to write up a policy proposal report and present this policy proposal to the class. The goal of the report and presentation will be to allow you to begin thinking about how you can apply the concepts learned in this class to an area of interest relating to public policy. In the paper and presentation, you will be required to provide a summary of the policy proposal/project, discuss the goal and context of the project, and what current analysis or discourse is missing regarding some of the costs and benefits of the issue, and finally what empirical method (Quasi Experiment, RCT, Demand Estimation, Shadow Pricing, etc.) you would need to perform to do a more adequate analysis.

Groups will be assigned by the instructor. Midway through the course we will devote class time to discuss project ideas and which areas should be explored more as a class to help you with your presentations and papers at the end of the course. The grade will be split by the final paper, the presentation, and the discussion proposal midway through the course.

HOMEWORK ASSIGNMENTS:

There are two homework assignments in this course. Posting and due dates can be seen on the list of important dates. All homework needs to be submitted online through Canvas. Homework should be uploaded as a single pdf of size less than 10MB. All homework must be typed. You may discuss homework with classmates but you must write up answers in your own words.

Identical or essentially similar answers are not acceptable; you will receive a score of zero. Any request for a change of grade on an assignment or exam must be made in writing with a clear explanation of why you think you deserve more (or less!) points on a question. This request will only be accepted within one week of your receipt of the graded assignment or exam.

ASSESMENTS/EXAMS:

There will be two midterm exams. Dates and times are given below.

The exams will have questions much like the homework assignment questions. I will give you sample questions to work on and we can solve these together during class.

Both exams are take-home exams; you will have 4 hours to complete them. They will be published on Canvas. You do not need to print the question sheets. You should write your answers on some plain paper, scan all pages, merge all pictures/diagrams and transform them into one single pdf file, and finally submit the pdf file on Canvas before the deadline.

Midterm I Exam: This will be held on June 30, 2021 from 11.15 am to 3.15 pm.

Midterm II Exam: This will be held on July 28, 2021 from 11.15 am to 3.15 pm.

In case of emergency or documented absence, contact me BEFORE the exam.

By university policy, you qualify to take the makeup final exam ONLY if (a) you have 3 or more exams within a 16-hour period; (b) you have another exam in the same time slot or (c) you have documentation of a family or medical emergency. To sign up for a make-up exam email me 2 weeks before the corresponding exam with the following information: Name, Student ID, email and the course(s) that are in conflict.

GRADE DISPUTES:

Any dispute regarding a grade must be submitted in writing (such as via the [Canvas Inbox](#)) within 72 hours of when the grade is posted. You must provide clear rationale for why you believe that your grade is incorrect. Statements like "I think I'm right" or "I think I met all of the requirements of this assignment" are not sufficient rationale. Keep in mind that, based on our second look at an assignment, your grade could go down as well as up.

COURSE GRADING POLICY - The final grade is determined as follows:

Homework: 25%

Midterm: 25%

Final: 25%

Presentation 25%

DEPARTMENT GRADING SCALE:

92%-100% A
90%-91% A-
88%-89% B+
82%-87% B
80%-81% B-
78%-79% C+
72%-77% C
70%-71% C-
68%-69% D+
60%-67% D
0 -59% F

TENTATIVE COURSE SCHEDULE for FALL 2020:

LIST OF IMPORTANT DATES:

- June 8: HW1 posted
- June 21: HW1 due
- June 28: Project Idea Proposal and Discussion
- June 30: Midterm 1
- Jul 6: HW2 posted
- Jul 19: HW2 Due
- Jul 26: Presentation and Project Proposal Due
- Jul 28: Final Exam

Academic Services and Resources at UMN

Below are several student services available to students:

- [Academic Advising Center](#)
- [Disability Student Services](#)
- [Career Services](#)
- [Counseling Center](#)
- [Financial Aid Office](#)
- [Student Writing Support](#)
- <https://libguides.umn.edu/economics> for the U libraries' section for Economics

The University of Minnesota [Academic Support and Tutoring website](#) and [Student Academic Support Services](#) offer a range of excellent support services. Please contact the [Center for Writing](#), or the [Libraries](#) for assistance with research and writing skills.

FERPA and STUDENT PRIVACY

In this class, our use of technology will make student names and emails visible within the course website, but only to other students in the same class. The University uses a secure, password-protected course website; however, if you have concerns, you can adjust settings in your online course profile to hide your email. If you are required to use any tool external to Canvas for learning activities or assignment completion, a link or description of privacy policies will be included in the directions provided in the course site.

DEPARTMENT OF ECONOMICS -- PROCEDURES AND POLICIES 2020

CLASS ASSIGNMENTS:

Written answers to homework assignments must be typed; Graphs and numerical work need not be typed, but should be legible.

COURSE PREREQUISITES:

Students are expected to have successfully completed all prerequisites prior to taking an Economics course.

STUDENTS WITH DISABILITIES:

Reasonable accommodations will be provided for all students with documented disabilities (by the DRC). Contact the instructor at the beginning of the semester to work out details. This information will be kept confidential.

STUDENT MENTAL HEALTH AND STUDENT COUNSELING SERVICES:

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce a student's ability to participate in daily activities. University of Minnesota services are available to assist you with addressing these and other concerns. Information about confidential mental health services is available at: <https://boynton.umn.edu/clinics/mental-health>. Student Counseling Services website: <https://counseling.umn.edu/>

SEXUAL MISCONDUCT

Sexual misconduct (sexual harassment, sexual assault, stalking, and relationship violence) includes unwelcome sexual advances, requests for sexual favors, and/or other verbal or physical conduct of a sexual nature. Such behavior is prohibited in the University setting.

Per the [U of M policy on sexual harassment](#), *I am required to share information that I learn about possible sexual misconduct* with the campus Title IX office. Within the requirements of my job, I will be as responsive as possible to your requests for confidentiality and support. You can also, or alternately, choose to talk with a confidential resource that will not share information that they learn about sexual misconduct. Confidential resources include [The Aurora Center](#), [Boynton Mental Health](#), and [Student Counseling Services](#).

DROPPING A CLASS:

Termination of attendance alone is not sufficient to drop a class. You must notify the Registrar's office. Please contact your academic (college) adviser for details on this process and pay attention to University deadlines for add/drop.

INCOMPLETE GRADE:

Low class standing is not a valid reason for an Incomplete grade. An I is given only in exceptional circumstances like family emergencies or hospitalization; arrangements must be worked out between the student and instructor before the final exam. We require written proof of emergencies. Details about I grades and how to make it up are to be decided by the Instructor and student; you need to fill out the form.

MAKE-UP EXAMS:

Make up exams are possible for the final exam only if the student has another exam scheduled at the same time, or has three exams within a 16 hour period. This should be pre-arranged with the instructor at least three weeks before the final exam. Make up final exams may also be possible for documented medical emergencies.

SCHOLASTIC DISHONESTY:

"The College of Liberal Arts defines scholastic dishonesty broadly as any act by a student that misrepresents the student's own academic work or that compromises the academic work of another. Examples include cheating on assignments or exams, plagiarizing (misrepresenting as one's own anything done by another), unauthorized collaboration on assignments or exams, or sabotaging another student's work".

The University Student Conduct Code defines scholastic dishonesty as "Submission of false records of academic achievement; cheating on assignments or examinations; plagiarizing; altering, forging, or misusing a University academic record; taking, acquiring, or using text materials without faculty permission; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement."

You are expected to do your own academic work and cite sources as necessary. Failing to do so is scholastic dishonesty. Scholastic dishonesty means plagiarizing; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using course materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; altering, forging, misrepresenting or misusing a University academic record; or fabricating or falsifying data, research procedures, or data analysis. (Student Conduct Code.) If it is determined that a student has cheated, the student may be given an "F" or an "N" for the course, and may face additional sanctions from the University.

The Office for Community Standards has compiled a useful list of Frequently Asked Questions pertaining to scholastic dishonesty.

Beware of websites that advertise themselves as being "tutoring websites." It is not permissible to upload any instructor materials to these sites without their permission or copy material for your own homework assignments from these various sites.

If you have additional questions, please clarify with your instructor for the course. Your instructor can respond to your specific questions regarding what would constitute scholastic dishonesty in the context of a particular class, e.g., whether collaboration on assignments is permitted, requirements and methods for citing sources, if electronic aids are permitted or prohibited during an exam.

Penalties for scholastic dishonesty of any kind in any course will entail an "F" for the particular assignment/exam or the course.

Website for information on Student Academic Misconduct --

<https://communitystandards.umn.edu/avoid-violations/avoiding-scholastic-dishonesty>

STUDENT CONDUCT AND CLASSROOM BEHAVIOR:

Students are expected to contribute to a calm, productive, and learning environment. Check the Student Conduct Code: https://regents.umn.edu/sites/regents.umn.edu/files/2019-09/policy_student_conduct_code.pdf to find out what is expected of you.

STUDY ABROAD IN ECONOMICS:

The Department encourages you to undertake Study Abroad. There are many courses in foreign countries that can satisfy some economics major, minor, or Liberal Education requirements. For more information, please contact our Undergraduate Advisers, Ms. Annie Bigley and Ms. Tiffany Kroeze Murphy, or the University's Learning Abroad Center at <http://www.umabroad.umn.edu/>. There will be no Study Abroad in Fall 2020.

UNDERGRADUATE ADVISERS:

Contact the Undergraduate Advisers if you wish to sign up for an Economics major or minor or to get information about institutions of higher study. Your APAS form will list your progress toward an Economics degree.

Adviser: Ms. Tiffany Kroeze Murphy and Ms. Annie Bigley (econadv@umn.edu); Sign up for appointments at econ.appointments.umn.edu

ECONOMICS UNDERGRADUATE PROGRAM INFORMATION:

Available on the Internet at: <https://cla.umn.edu/economics/undergraduate>. Registration policies are listed in the University Course Schedules and College Bulletins.

COMPLAINTS OR CONCERNS ABOUT COURSES:

All course grades are subject to department review.

Please contact your instructor or TA if you have any complaints/concerns about the course. If your concerns are not resolved after talking with your instructor, you can contact: Professor Simran Sahi, Director of Undergraduate Studies. Her e-mail is: ssahi@umn.edu