

Cost-benefit Analysis

Programme course

6 credits

Samhällsekonomiska lönsamhetskalkyler

TEAE08

Valid from: 2017 Spring semester

Determined by
Board of Studies for Mechanical
Engineering and Design

Date determined
2017-01-25

Main field of study

Economics

Course level

First cycle

Advancement level

G2X

Course offered for

- Energy-Environment-Management

Entry requirements

Note: Admission requirements for non-programme students usually also include admission requirements for the programme and threshold requirements for progression within the programme, or corresponding.

Prerequisites

Industrial economics and Organization. Resource theory.

Intended learning outcomes

After completing the course, students should

- have extensive theoretical knowledge of the elements of micro and welfare theory that cost-benefit analysis are based on.
- have knowledge of how cost-benefit analysis are used in practice.
- have the ability to critically examine a cost-benefit analysis, and be able to conduct one themselves.
- have knowledge of methods to estimate costs and benefits, both when there exists and when there do not exist market prices.
- be aware of the problems and shortcomings that may be associated with cost-benefit analysis.

Course content

Welfare theoretical background
Implementation of cost-benefit analysis in theory and practice
Valuation of market goods and services in competitive markets and when there are market imperfections or taxes/subsidies.
Effects on secondary markets and indirect effects
Discounting, time horizon, risk and uncertainty
Methods to evaluate the benefits and costs when market prices are unavailable, ie revealed preferences methods and stated preferences methods
Empirical applications in different fields
Problems and limitations of cost-benefit analysis

Teaching and working methods

Lectures and exercises.

Examination

TEN1	Written examination	6 credits	U, 3, 4, 5
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Grades

Four-grade scale, LiU, U, 3, 4, 5

Department

Institutionen för ekonomisk och industriell utveckling

Director of Studies or equivalent

Linnea Ingebrand

Examiner

Pernilla Ivehammar

Course website and other links

Education components

Preliminary scheduled hours: 48 h
Recommended self-study hours: 112 h

Course literature

Mattson, B. "Kostnadsnyttoanalys för nybörjare", Räddningsverket, 2006, ISBN 91-7253-286-6. Artiklar och kompendier

Common rules

Regulations (apply to LiU in its entirety)

The university is a government agency whose operations are regulated by legislation and ordinances, which include the Higher Education Act and the Higher Education Ordinance. In addition to legislation and ordinances, operations are subject to several policy documents. The Linköping University rule book collects currently valid decisions of a regulatory nature taken by the university board, the vice-chancellor and faculty/department boards.

LiU's rule book for education at first-cycle and second-cycle levels is available at http://stydokument.liu.se/Regelsamling/Innehall/Utbildning_pa_grund-_och_avancerad_niva.