COST-BENEFIT ANALYSIS
ECON 4100W WRITING ASSIGNMENT

Your assignment is to perform a CBA on any project of your choice found in this website:
http://www.dot.state.mn.us/roadwork/current.html

The following are the minimum requirements in this work, besides all the standard requirements of any 4100W assignment:

1) You have to identify the benefits created by the project and provide measures for each one of them.
2) You have to identify what are the costs involved in the project and provide measures for each one of them.
3) Predict the impacts quantitatively over the life of the project.
4) You have to provide the Net Present Value of the project.

The steps to complete this project are the following:

a) In one page, you have to state the following elements:
   a. Which project you will analyze.
   b. What type of analysis you will do: ex-post or in medias res.
   c. The set of alternative projects (remember, it’s usually status quo)
   d. The standing.

b) Write a draft in which you identify the impact categories, catalogue them, and select measurement indicators.

c) Write a draft with the benefits and costs derived from the project in present value.

d) The final draft has to include the following elements:
   a. The project you are analyzing.
   b. The type of analysis.
   c. The set of alternative projects.
   d. The standing.
   e. The catalogued impact categories and the measurement indicators.
   f. The computation of the net present value of all the benefits and costs derived from the project.
   g. A policy recommendation derived from the analysis.

h) EXTRA CONDITIONS TO ENHANCE THE PAPER:
   i. Explain how you would do a sensitivity analysis of this project evaluation.
   ii. Give an estimation of the cost of performing a full cost-benefit analysis of the project you just analyzed.
   iii. Explain how you would persuade policy makers to take a recommendation derived from cost-benefit analysis.