Cost Benefit Analysis (440.622.51)
Johns Hopkins University Zanvyl Krieger School of Arts and Sciences
Advanced Academic Programs
Washington, DC Center

2016 Spring Session

Faculty: Jay Schwarz, PhD
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Course Times: 6 to 8:45 pm Tuesdays: Jan. 26 – May 3, 2016
EXCEPT March 15

Course Grading: Letter grades will be given. Grades will depend on one exam (30%), a final project (50%), and participation in class via “Question for Next Lecture” (20%).

Course Description: The objective of this course is to develop and apply an analytical framework for evaluating projects with an emphasis on publicly funded projects. Coverage includes the evaluation of benefits and costs over time, including in the presence of uncertainty, in the absence of market prices, and when income distribution objectives need to be incorporated into a project’s evaluation. Since cost-benefit analysis of policies ideally ought to incorporate into its calculations the actual impacts of policies, several weeks in the course will be devoted to the important and growing field of policy experimentation.

Prerequisites: 440.601 Microeconomic Theory and Policy.
Co-requisite: 440.606 Econometrics.

Texts and Other Reading:

Readings (usually academic papers) will be posted to Blackboard for many of the classes. Students are expected to read these prior to class and to be prepared to discuss. The textbooks are optional for the course, as relevant material will be presented in class. Some students may wish to have the texts for reference.


Glennerster, R & Takavarasha, K., Running Randomized Evaluations: A Practical Guide

Course Outline:

Jan 26 – Introduction to Cost-Benefit Analysis (Boardman et al Ch.1-2)

Feb 2 – Microeconomic Foundations of Cost-Benefit Analysis (Boardman et al Ch. 3)

Feb 9 – Valuing Direct and Indirect Market Effects (Boardman et al Ch. 4-5)


Mar 15 – NO CLASS


Mar 29 – Exam

April 5 – Introduction to Policy Experimentation; G&T Ch. 2 (pp. 24-52); G&T Ch. 4

April 12 – Challenges, Ethics, and Legality of Policy Experimentation; G&T Ch. 2 (pp. 53-65); G & T Ch. 4 (pp. 113-129, 138); G & T Ch. 7; Abramowicz, M., Ayres, I., Listorkin, Y. “Randomizing Law” University of Pennsylvania Law Review 2011.

April 19 – Real-world Examples of Policy Experiments (papers to be posted): Moving to Opportunity, SEC Short-selling experiment; Head Start; Progresa; Tennessee STAR

April 26 – Analysis of Data (G & T Ch. 8); Combining Cost-Benefit Analysis and Policy Experimentation

May 3 – In-class Final Project Presentations
University Policies

General
This course adheres to all University policies described in the academic catalog. A few to pay close attention to are noted below.

Students with Disabilities
Johns Hopkins University is committed to providing reasonable and appropriate accommodations to students with disabilities. Students with documented disabilities should contact the coordinator listed on the Disability Accommodations page. Further information and a link to the Student Request for Accomodation form can also be found on the Disability Accommodations page.

Ethics & Plagiarism
JHU Ethics Statement: The strength of the university depends on academic and personal integrity. In this course, you must be honest and truthful. Ethical violations include cheating on exams, plagiarism, reuse of assignments, improper use of the Internet and electronic devices, unauthorized collaboration, alteration of graded assignments, forgery and falsification, lying, facilitating academic dishonesty, and unfair competition. Report any violations you witness to the instructor. Read and adhere to JHU’s Notice on Plagiarism.

Dropping the Course
You are responsible for understanding the university’s policies and procedures regarding withdrawing from courses found in the current catalog. You should be aware of the current deadlines according to the Academic Calendar.

Getting Help
You have a variety of methods to get help on Blackboard. Please consult the help listed in the "Blackboard Help" link for important information. If you encounter technical difficulty in completing or submitting any online assessment, please immediately contact the designated help desk listed on the AAP online support page. Also, contact your instructor at the email address listed atop this syllabus.