



Academic year	2016-17
Subject	11490 - Economic Principles of Evaluation
Group	Group 1, 1S
Teaching guide	B
Language	English

Subject identification

Subject	11490 - Economic Principles of Evaluation
Credits	0.72 de presencials (18 hours) 2.28 de no presencials (57 hours) 3 de totals (75 hours).
Group	Group 1, 1S (Campus Extens)
Teaching period	First semester
Teaching language	English

Professors

Lecturers	Horari d'atenció als alumnes					
	Starting time	Finishing time	Day	Start date	Finish date	Office
Catalina Maria Torres Figuerola cati.torres@uib.es	12:00	13:00	Wednesday	12/09/2016	07/07/2017	DB-208, Jovellanos (cita prèvia per e-mail)

Contextualisation

The aim of the course is to make students familiar with basic concepts and economic principles underlying project appraisal. In this sense, they will learn about the difference between efficiency and (intra- and intergenerational) equity, the implications of market failures in environmental settings, the difference between market price and market value, the basics of cost-benefit analysis and cost-efficiency analysis, future discounting, and the importance of considering risk, uncertainty and irreversibility issues in environmental decision-making.

Requirements

Essential requirements

There are no essential requirements for the course.

Recommendable

Microeconomics background is recommendable.

Skills



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Specific

- * CE4 – To be able to contribute to the planning, monitoring and evaluation of policies, programmes and projects oriented towards the improvement of the competitiveness and sustainability of a tourism company, destination or region..
- * CE6 – To be able to identify the key indicators used to monitor and evaluate projects within the tourism environment..
- * CE7 – To be able to collect, generate, process and analyse statistical data to support monitoring and evaluation activities..

Generic

- * CG2 – To develop an innovative capacity by applying the acquired knowledge to the resolution of problems in new environments related to the tourism sector..
- * CG6 – To understand the importance of working with rigor and a vision of future to improve the wellbeing of society achieving a sustainable tourism development..
- * CG7 – To acquire specialized knowledge about the tourism system to make it possible to face challenges and provide solutions..

Basic

- * You may consult the basic competencies students will have to achieve by the end of the Master's degree at the following address: http://estudis.uib.cat/master/comp_basiques/

Content

Theme content

- Unit 1. What's efficiency' Market failures in environmental settings
 - 1.1 Environmental functions and services
 - 1.2 Problem: 'un-priced' goods and services
 - 1.3 Market failures
- Unit 2. Correcting for market failures: the value of the environment
 - 2.1 Why to value?
 - 2.2 Ethical dilemmas on economic valuation
 - 2.3 Total economic value
 - 2.4 Limits to the analysis
- Unit 3. Efficiency versus equity
 - 3.1 Market value and property rights
 - 3.2 Property rights and intra- and intergenerational equity
- Unit 4. What's cost-benefit analysis'
 - 4.1 Kaldor-Hicks compensation principle
 - 4.2 Stages in CBA
 - 4.3 Cost-efficiency analysis
- Unit 5. From financial to social CBA

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- 5.1 Investment criteria
- 5.2 Financial versus economic analysis
- 5.3 Social issues

Unit 6. Future, risk, uncertainty and irreversibility

- 6.1. Introduction
- 6.2. Discounting the future
- 6.3. Risk, uncertainty and irreversibility

Teaching methodology

In-class work activities

Modality	Name	Typ. Grp.	Description	Hours
Theory classes	Theory classes	Large group (G)	Master classes to acquire knowledge about the economic principles underlying project appraisal. Students will also be given information about the bibliography and didactic material to be used to complement the theoretical units.	10
Practical classes	Practical classes	Large group (G)	To put into practice the acquired theoretical knowledge and apply it to specific situations, both different case studies will be analysed and some exercises will be carried out during these classes.	6
Assessment	Final exam	Large group (G)	Knowledge acquired by students during the whole course will be object of assessment.	2

At the beginning of the semester a schedule of the subject will be made available to students through the UIBdigital platform. The schedule shall at least include the dates when the continuing assessment tests will be conducted and the hand-in dates for the assignments. In addition, the lecturer shall inform students as to whether the subject work plan will be carried out through the schedule or through another way included in the Campus Extens platform.

Distance education work activities

Modality	Name	Description	Hours
Individual self-study	Studying and reading	It consists of preparation of the course involving the study of the theoretical issues, analyses of case studies and readings.	40
Group self-study	Discussion of topics	It consists of the discussion with colleagues of theoretical issues, analyses of case studies and readings.	17

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Specific risks and protective measures

The learning activities of this course do not entail specific health or safety risks for the students and therefore no special protective measures are needed.

Student learning assessment

Theory classes

Modality	Theory classes
Technique	Observation techniques (non-retrievable)
Description	Master classes to acquire knowledge about the economic principles underlying project appraisal. Students will also be given information about the bibliography and didactic material to be used to complement the theoretical units.
Assessment criteria	Students can get up to a 10% of the final grade if they attend and participate in all the classes. This does not mean they will get it automatically only if they attend the classes. They will have to be involved in the classes to be able to have the chance of getting up to this 10%.

Final grade percentage: 10%

Practical classes

Modality	Practical classes
Technique	Short-answer tests (non-retrievable)
Description	To put into practice the acquired theoretical knowledge and apply it to specific situations, both different case studies will be analysed and some exercises will be carried out during these classes.
Assessment criteria	As students have four 4-hours lecture slots before the final exercise, they will have this type of assessment four times during the course. They can get up to a 10% of the final grade in each assessment. Their understanding of the theory explained during the class will be assessed. Students will be allowed to use their didactic material, notes and bibliography during the assessments.

Final grade percentage: 40%

Final exam

Modality	Assessment
Technique	Short-answer tests (retrievable)
Description	Knowledge acquired by students during the whole course will be object of assessment.
Assessment criteria	Students will have to either analyse a case study/text or do some exercises related to what they have been taught during the classes. A case study might be used as a reference text. Their understanding of the theory, or their



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ability to apply it when analysing the case study, will be assessed. Students will be allowed to use their didactic material, notes and bibliography during the assessment

Final grade percentage: 50%

Resources, bibliography and additional documentation

Basic bibliography

- Boardman, A.E., D.H. Greenberg, A.R. Vining & D.L. Weimer (2011): Cost-benefit analysis. Concepts and Practice. 4th edition. Prentice Hall, Inc., Upper Saddle River, New Jersey, USA
- Pearce, D., Atkinson, G. and Mourato, S. (2006). Cost-benefit analysis and the environment. Recent developments. OECD Publishing, Paris.
- Perman, R.; Ma, Y.; McGilvray, J.; Common, M. (2003). Natural resource and environmental economics. Harlow, England: Pearson/Addison Wesley.
- Pearce, D.W.; Turner, K. (1990). Economics of natural resources and the environment. Baltimore, US: The Johns Hopkins University Press.
- Hanley, N.; Shogren, J.; White, B. (2013). Introduction to environmental economics. Oxford: Oxford University Press (second edition)
- Torres, C.M. & Hanley, N. (2016). Economic valuation of coastal and marine ecosystem services in the 21st century. An overview from a management perspective.

Complementary bibliography

- EPA (2010). Guidelines for Preparing Economic Analysis. United States. Environmental Protection Office.
- Zerbe, R.O. and D.D. Dively (1994). Benefit-Cost Analysis in Theory and Practice. Harper Collins, New York.
- Kolstad, C.D. (2000). Environmental Economics. New York, Oxford: Oxford University Press.
- Callan, S.J.; Thomas, J.M. (2010). Environmental Economics and Management: Theory, Policy, and Applications. South-Western College Pub

