

# BUSM 2005 COST BENEFIT ANALYSIS

**Credit Points** 10

**Legacy Code** 200924

**Coordinator** Neil Perry ([https://directory.westernsydney.edu.au/search/name/Neil Perry/](https://directory.westernsydney.edu.au/search/name/Neil%20Perry/))

**Description** Students will learn and apply Cost Benefit Analysis, the most commonly used economic tool in business, consultancy and government organisations. The subject is a core subject in the Economics major but is open to all students who have a basic understanding of economics and a desire to improve their analytical skills and employability. At the completion of the subject, students will be able to explain the economic foundations of cost-benefit analysis and they will have experience with analysing, critically evaluating and developing a cost-benefit analysis for a specific proposal. Students will also consider risk analysis and cost-effectiveness analysis.

**School** Business

**Discipline** Economics

**Student Contribution Band** HECS Band 4 10cp

Check your fees via the Fees ([https://www.westernsydney.edu.au/currentstudents/current\\_students/fees/](https://www.westernsydney.edu.au/currentstudents/current_students/fees/)) page.

**Level** Undergraduate Level 2 subject

**Pre-requisite(s)** BUSM 1006 OR  
ECON 1011 OR  
ECON 1014

**Assumed Knowledge**

Basic understanding of economics.

## Learning Outcomes

On successful completion of this subject, students should be able to:

1. Explain the welfare economics foundation to cost-benefit analysis.
2. Critically evaluate a cost-benefit analysis.
3. Conduct a cost-benefit analysis.
4. Distinguish between cost-benefit and cost-effectiveness analysis.
5. Explain the role of uncertainty and risk when evaluating proposals.

## Subject Content

1. Conceptual and microeconomic foundations to cost-benefit analysis.
2. Steps in a cost-benefit analysis.
3. Valuing social benefits.
4. Evaluating indirect effects.
5. Opportunity costs, market and shadow prices.
6. Valuing non-market goods.
7. Discounting and the decision criteria.
8. Uncertainty and risk analysis.
9. Applications.
10. Cost-effectiveness analysis.

## Assessment

The following table summarises the standard assessment tasks for this subject. Please note this is a guide only. Assessment tasks are

regularly updated, where there is a difference your Learning Guide takes precedence.

| Type              | Length     | Percent | Threshold | Individual/<br>Group Task | Mandatory |
|-------------------|------------|---------|-----------|---------------------------|-----------|
| Professional Task | 500 words  | 25      | N         | Individual                | Y         |
| Portfolio         | 2000 words | 25      | N         | Group                     | Y         |
| Final Exam        | 2 hours    | 50      | N         | Individual                | Y         |

Teaching Periods

## Autumn (2025)

### Parramatta City - Macquarie St

#### On-site

**Subject Contact** Neil Perry ([https://directory.westernsydney.edu.au/search/name/Neil Perry/](https://directory.westernsydney.edu.au/search/name/Neil%20Perry/))

View timetable ([https://classregistration.westernsydney.edu.au/odd/timetable/?subject\\_code=BUSM2005\\_25-AUT\\_PC\\_1#subjects](https://classregistration.westernsydney.edu.au/odd/timetable/?subject_code=BUSM2005_25-AUT_PC_1#subjects))