

# UNIVERSITY COLLEGE LONDON

*University of London*

## EXAMINATION FOR INTERNAL STUDENTS

*For the following qualifications :-*

*M.Sc.*

**ESGM4: Methods of Economic Analysis, Appraisal and Evaluation**

COURSE CODE : ENVSGM04

DATE : 26-MAR-02

TIME : 14.30

TIME ALLOWED : 3 hours

**PAPER ENVSGMO4: Methods of Economic Analysis, Appraisal and Evaluation (2001/02 Session)**

**DURATION: 3 hrs.**

**Answer THREE of the following questions. All questions carry equal marks.**

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1. How may the concept of "urban development" look different to the economic analyst in a nation with a low per capita real income as compared to an analyst in a nation characterised by a high level of per capita real income?
2. Is a high degree of competition between enterprises in a given sector of economic activity in a city always beneficial to society?
3. Explain how you might use the statistical technique of regression analysis in preparing the case for a government investment in a new railway line between two cities.
4. Compare and contrast the desirable sources of financial capital that a privately owned limited liability company might seek in order to undertake a major investment in a new urban bus terminal with the sources sought by the local city government if it was to undertake the same investment.
5. How useful is the concept of externality in helping us analyse public sector expenditures in a major urban renewal or squatter upgrading scheme?
6. Why are host governments often cautious as well as enthusiastic about accepting foreign direct investment in local industries?
7. What do you consider to be the main difficulties in applying a discounted present value approach to investment appraisal in the public sector?
8. In Cost Benefit Analysis is the valuation of the intangible impacts of a project or policy an insurmountable problem?
9. Outline what you consider to be the principal methodological issues which arise in the use of Contingent Valuation Analysis.
10. What would be the process by which you would evaluate the success or failure of (a) a municipal investment in a new indoor municipal swimming baths; and (b) the introduction of a city government policy to raise car parking charges in a city centre?

**END OF PAPER**