

**PAPER ENVSGM04: Methods of Economic Analysis, Appraisal and Evaluation**

**DURATION: 3 Hours.**

**This paper consists of ten questions. Answer THREE questions only. All questions carry equal marks.**

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1. "The provision of key urban infrastructure can never be based on commercial and financial criteria alone". Discuss.
2. In what ways are urban public transport services characterised by strong externality effects?
3. What are the grounds for a city government offering financial assistance to privately owned companies in order to encourage innovation and the development of new technologies?
4. In drawing up an economic and social profile of a city in a low income country, what are the suspicions that the analyst must have as to the quality of the available statistics?
5. How may a city government encourage foreign direct investment in such a way as to strengthen the advantages and to weaken the disadvantages to local residents?
6. Critically review alternative methods of appraisal of the financial return to a commercial investment.
7. Outline the advantages and disadvantages of the different sources of finance available to a property development company seeking to regenerate a rundown waterfront area in a city.
8. What are the considerations that may lead the design of a Cost Benefit Analysis of a sea container port investment to differ when it is undertaken in a small country with a low GDP per capita as opposed to in a major industrialised nation?
9. Consider the alternative ways of placing an approximate financial value on: (i) reducing the pollution level in a river flowing through a city; (ii) the prevention of life threatening accidents; (iii) the preservation of the ruins of an historic temple; and (iv) the provision of health care guidance to pregnant mothers.
10. How would you distinguish between the *ex ante* appraisal and the *ex post* evaluation of (a) an urban water supply investment project, and (b) a revision to the policy of payment for the water used?

**END OF PAPER**