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ECON 201HC—Montgomery College

**Honors Essay 1—First Draft**

This paper involves performing a cost-benefit analysis. It can focus on any interesting decision in any medium. There’s more information on real life examples (from the news or from your life), but decisions from works of fiction are also fine if sufficient context is given.

The object of your focus must be pivotal enough to be interesting. I don’t want a cost-benefit analysis on if you should have a Coke or a Pepsi with your lunch. But decisions concerning a move from another country or choosing a major are good decisions to analyze.

Proper cost-benefit analysis defines its scope. Consider a company trying to determine if it should pollute a river in order to produce its product cheaper. The cost-benefit analysis for the company is different than that same analysis if it’s for the state the company’s in (as you’re now including costs only the state cares about). If the river crosses multiple states, an analysis for the whole country would be different again (as you’re now including costs that are no concern of the originating state). ***Since this is a macroeconomics class, avoid limiting scope to a single entity when possible.***

Keep in mind that many cost-benefit analyses, especially personal ones, should consider non-monetary costs and benefits.

Uncertainty will probably be part of your paper. If you’re familiar with the concept of expected value, it would be a handy tool to employ in your analysis. If you’re not familiar with the concept, your analysis should probably include some notion that if something else happened, some outcomes will be more likely than others.

Remember: ***all*** decisions have opportunity costs. Money that goes to one project can’t go to another. Time spent accomplishing one task can’t be used to accomplish a different one. Effort that goes to passing one law can’t be used to pass a different law.

Remember: ***all*** decisions have good points to them. Otherwise, these decisions would not have been made. Sometimes these “good points” are merely a warm feeling in certain people’s hearts but these benefits are why the decision is made. Do not ignore them.

Your paper must include:

* A compelling introduction and effective conclusion;
* A thesis statement;
* A clear statement on the scope of the cost-benefit analysis;
* A consideration of the opportunity cost; and
* A works cited page, if applicable. (Include urls for any web resources.)

The first draft has a ***maximum*** length of four pages (excluding any citation page). Your paper must be double-spaced.

**Honors Essay 1—Final Draft**

Make the appropriate adjustments for your final draft. Keep in mind that I do not note every grammar, spelling, and organization error I find on your first draft. Part of learning to write includes not just fixing such issues but finding them.

The final draft has a ***maximum*** length of three pages (four including a works cited page). If you’re having trouble working with so little space (which you should), focus on the most important factors and make it clear why these factors are most important. Your paper must be double-spaced.