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1997

Economic Analysis Handbook / 2nd edition

Edmonds, Edmund D. Jr.

Defense Economic Analysis Council

2nd edition

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Economic Analysis Handbook

A Guide for Reviewers

CHAPTER VI

A. THE OBJECTIVE, ASSUMPTIONS AND ALTERNATIVES

1. Is the problem stated the real problem?
2. Are all reasonable assumptions identified and explained?
3. Are assumptions too restrictive? Too broad?
4. Are intuitive judgements identified as such? Are uncertainties treated as facts? Can the facts be verified?
5. Are any feasible alternatives omitted?
6. Are the alternatives well defined and discrete? Do they overlap?

B. THE COST ESTIMATE

1. What costing method was used? Is it appropriate?
2. Are all relevant costs included? Are directly related support and training costs included?
3. Does the study indicate why certain costs were considered relevant and others not?
4. Are sunk costs included?
5. Are the sources of cost data included? Are they accurate?
6. Are the Cost Estimating Relationships valid, if the parametric method was used? Are extrapolations used without proof?

C. THE BENEFIT DETERMINATION

1. Does the analysis ignore some portion of total output?
2. Were the criteria used to measure benefit justified by the context of the study?
3. Was the benefit, in fact, unmeasurable? Has there been a rational assesment of non-quantifiable factors?
4. Was expert opinion used? Were these experts properly qualified?

D. SELECTING FROM ALTERNATIVES

1. Are the recommendations logically derived from the material?
 2. Is interference from co-extensive or parallel operations ignored?
 3. Are the recommendations feasible in the real world of political, cultural, or policy considerations?
 4. Are the recommendations based upon significant differences between the alternatives?
 5. Are the recommendations intuitively satisfying and supportable? Should "a fortiori" analysis be conducted in favor of a certain alternative?
 6. Is an uncertainty analysis needed? Were the methods and sources of the study adequately documented?
 7. Do benefits exceed costs for alternatives considered?
 8. Were present value estimates used?
 9. Are cost factors current and supportable?
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