

Does it make economic sense to buy a hybrid car?

This assignment asks you to collect and organize data related to hybrid-electric automobiles to analyze the decision of to buy a hybrid. The research question for this assignment is, "Does it make economic sense for a typical consumer to buy a hybrid car?" The final product is 1) a short podcast (10-15 minutes) presenting the results of your analysis, and 2) a spreadsheet that contains your economic model and results. Please include a detailed list of your data sources and hyperlinks to the data.

To get you started here are a few questions you will likely need to answer on the way to your solution (you will come up with MANY others):

What is the "extra" cost of a hybrid?

What is the relevant time horizon for the analysis?

What is the relevant interest rate to use?

What value will you use for the price of gasoline?

Grading:

This assignment is worth 30 total points.

Transparency and accuracy of your model (7 pts)

Thoroughness and accuracy of your calculations. (7 pts)

Are your data sources appropriate and well documented? (6 pts)

Ability to justify your solutions to the rest of the class. (4 pts)

Did you actively participate in the discussion of other's analysis? (3 pts)

Is your spreadsheet well organized and easy to follow? (3 pts)