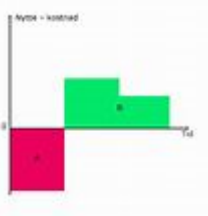


Cost–benefit Analysis



Cost–benefit analysis (CBA), sometimes also called benefit–cost analysis, is a systematic approach to estimating the strengths and weaknesses of alternatives. It is used to determine options which provide the best approach to achieving benefits while preserving savings in, for example, transactions, activities, and functional business requirements. A CBA may be used to compare completed or potential courses of action, and to estimate or evaluate the value against the cost of a decision, project, or policy. It is commonly used in commercial transactions, business or policy decisions (particularly public policy), and project investments. For example, the U.S. Securities and Exchange Commission must conduct cost-benefit

analyses before instituting regulations or deregulations.