

Unit 9 - Week 7 - Public and private goods, Externalities

Course outline

How does an NPTEL online course work?

Practice Assignment

Week 1 - Introduction

Week 2 - Energy and quality of life, Country energy balance

Week 3 - Energy Economics

Week 4 - Energy Resources

Week 5 - Non-Renewable Resource Economics

Week 6 - Preferences, Utility and Social choices

Week 7 - Public and private goods, Externalities

● Lecture 13A: Public and Private Good/Bads

● Lecture 13B: Aggregation of Demand Curves

● Lecture 14: Externalities

○ Lecture 15A: Revision Paper-1 (Part 2)

○ Quiz : Assignment 7

○ Assignment 7 Solutions

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Week 8 - Energy and Financing

Week 9 - Input-Output Analysis

Week 10 - Primary Energy Analysis, Net Energy Analysis

Week 11 - Net Energy Analysis (Continued), Energy Policy

Week 12 - Energy policy (continued), Future Energy Systems

Text Transcripts

Assignment 7

The due date for submitting this assignment has passed. As per our records you have not submitted this assignment.

Due on 2020-03-18, 23:59 IST.

1) A good or a service is non-excludable if

1 point

- It is possible to prevent someone from the benefits of using it
- The use by one person decreases the quantity available for someone else to use
- The use by one person does not affect the quantity available for someone else to use
- It is not possible to prevent someone from the benefits of using it

No, the answer is incorrect. Score: 0

Accepted Answers:

It is not possible to prevent someone from the benefits of using it

2) A good or service is rival if

1 point

- It is possible to prevent someone from the benefits of using it
- The use by one person decreases the quantity available for someone else to use
- The use by one person does not affect the quantity available for someone else to use
- It is not possible to prevent someone from the benefits of using it

No, the answer is incorrect. Score: 0

Accepted Answers:

The use by one person decreases the quantity available for someone else to use

3) Private goods are

1 point

- Excludable and non-rival
- Non-excludable and non-rival
- Excludable and rival
- Non-excludable and rival

No, the answer is incorrect. Score: 0

Accepted Answers:

Excludable and rival

4) Which of these are private goods/bads ?

1 point

- Solar water heaters
- Air pollution
- Pizzas
- National defence

No, the answer is incorrect. Score: 0

Accepted Answers:

Solar water heaters

Pizzas

5) The market usually

1 point

- overprovides public goods
- underprovides private goods
- underprovides public goods
- overprovides private goods
- None of the above

No, the answer is incorrect. Score: 0

Accepted Answers:

underprovides public goods

6) Which of the following is not an externality?

1 point

- Pollution caused by a power plant
- Waste generated by a chemical plant
- Paper produced by a pulp and paper factory
- Nuclear radiation from nuclear power plant
- Particulate matter from a vehicle

No, the answer is incorrect. Score: 0

Accepted Answers:

Paper produced by a pulp and paper factory

7) The Lindahl equilibrium is difficult to implement

1 point

- Because it is very complicated to calculate
- It is only valid if there is a competition
- Because of the markets having monopoly
- Because there is an incentive to overstate willingness to pay
- Because there is an incentive to understate willingness to pay

No, the answer is incorrect. Score: 0

Accepted Answers:

Because there is an incentive to understate willingness to pay

8) The individual demand curves for Rohit and Nina are straight lines for a private good. Following points reflect their marginal willingness to pay and quantity demanded (P in rupees, Q in units)

Rohit: (600,0) , (0,30)

Nina: (400,0), (0,80)

What is the total quantity demanded by both for a price of 200 rupees?

Hint

No, the answer is incorrect. Score: 0

Accepted Answers:

(Type: Numeric) 60

1 point

9) For a public good, aggregate demand curve is obtained

1 point

- by summing up the individual demands at every price
- by taking the maximum quantity demanded at each price
- by summing up the marginal willingness to pay for each quantity
- by taking the maximum willingness to pay for each quantity

No, the answer is incorrect. Score: 0

Accepted Answers:

by summing up the marginal willingness to pay for each quantity

10) If an externality for an industry is considered by taking a marginal social cost, for linear supply and demand curves, which of the following is true:

1 point

- The equilibrium quantity remains unchanged though the producer surplus decreases
- The equilibrium price remains unchanged though the producer surplus decreases
- The equilibrium price remains unchanged though the consumer surplus decreases
- The equilibrium quantity remains unchanged though the consumer surplus decreases
- None of these

No, the answer is incorrect. Score: 0

Accepted Answers:

None of these

11) Public goods are

1 point

- Excludable and non-rival
- Non-excludable and non-rival
- Excludable and rival
- Non-excludable and rival

No, the answer is incorrect. Score: 0

Accepted Answers:

Non-excludable and non-rival