Assignment 7

The due date for submitting this assignment is passed. However, you can resubmit it within the given deadline.

Due on: 2020-02-18, 23:59 IST

Assessment

1. A good or a service is non-rival if
   - It is impossible to convey someone else the benefits of using it.
   - The person who has the quantity available also needs to use it.
   - The person who has the quantity available does not need to use it.
   - It is impossible to convey someone else the benefits of using it.
   No, the person is incorrect.
   Accepted Answers:
   - The quantity cannot be conveyed because it is non-rival.

2. A good or service is rival if
   - It is impossible to convey someone else the benefits of using it.
   - The person who has the quantity available also needs to use it.
   - The person who has the quantity available does not need to use it.
   - It is impossible to convey someone else the benefits of using it.
   No, the person is incorrect.
   Accepted Answers:
   - The person is incorrect.

3. Private goods are
   - Excludable and non-rival
   - Each unit must be sold
   - Non-excludable and rival
   - Each unit must be sold
   No, the person is incorrect.
   Accepted Answers:
   - The person is incorrect.

4. Which of these are public goods/bads?
   - Solar power
   - Air pollution
   - Noise
   - Nuclear power
   No, the person is incorrect.
   Accepted Answers:
   - The person is incorrect.

5. The market usually
   - Underprovides public goods
   - Overprovides public goods
   - Underprovides private goods
   - Increases the quantity available for someone else to use
   No, the person is incorrect.
   Accepted Answers:
   - The person is incorrect.

6. Which of the following is not an externality?
   - Pollution caused by a paper mill
   - Water released by a chemical plant
   - Fumes produced by a steel plant
   - Nuclear radiation from a nuclear power plant
   No, the person is incorrect.
   Accepted Answers:
   - The person is incorrect.

7. The Lindahl equilibrium is difficult to implement because
   - It is very complicated to calculate
   - It is only valid if there is a competitive market
   - Because of the problem that arises non-rival
   - Because there is an incentive to understate willingness to pay
   No, the person is incorrect.
   Accepted Answers:
   - The person is incorrect.

8. The individual demand curves for Tom and Tim are straight lines for a private good. Following points reflect their marginal willingnesses to pay and quantity demanded if Y costs $0.
   - More details: [Link]
   - More details: [Link]
   - More details: [Link]
   - More details: [Link]
   No, the person is incorrect.
   Accepted Answers:
   - The person is incorrect.

9. For a public good, aggregate demand curve is obtained by
   - By summing up the individual demands at each price
   - By summing the quantity demanded at each price
   - By summing the marginal willingness to pay for each quantity
   - By summing the marginal willingness to pay for each quantity
   No, the person is incorrect.
   Accepted Answers:
   - The person is incorrect.

10. If an externality for an industry is considered by taking a marginal social cost, for lower supply and demand curve, which of the following is true?
    - The equilibrium quantity remains unchanged though the producer surplus decreases
    - The equilibrium price remains unchanged though the producer surplus decreases
    - The equilibrium quantity remains unchanged though the consumer surplus decreases
    - None of these
    No, the person is incorrect.
    Accepted Answers:
    - None of these

11. Public goods are
    - Excludable and non-rival
    - Non-excludable and non-rival
    - Excludable and rival
    - Non-excludable and rival
    No, the person is incorrect.
    Accepted Answers:
    - The person is incorrect.