Week 7 Assessment

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

1) If an externality is induced by consuming a product, but there is no one else to bear the cost of that product, then the product type is known as
   - Public good
   - Non-rivalrous
   - Non-excludable
   - Common resource
   - None of the above
   No, the answer is incorrect.
   Score: 0
   Accepted Answers: Non-excludable

2) An industry which does not treat its polluting property correctly
   - Positive production externality
   - Negative production externality
   - Negative consumption externality
   - Positive consumption externality
   - None of the above
   No, the answer is incorrect.
   Score: 0
   Accepted Answers: Negative production externality

3) In the case of a negative externality, the social marginal benefit will
   - exceed the private marginal benefit
   - fall short of private marginal benefit
   - be no significant relation to private marginal benefit
   - exceed the private marginal cost
   No, the answer is incorrect.
   Score: 0
   Accepted Answers: exceed the private marginal cost

4) "The tragedy of the commons" is
   - A situation where there is free movement of resources that are collectively owned
   - A situation where there is no excludability but there is a rivalry in consumption
   - Ensuring something at the cost of others' expenditure
   - A and B
   - All of the above
   No, the answer is incorrect.
   Score: 0
   Accepted Answers: A and B

5) How can a government support if there is a positive consumption externality in an innovative automobile technology
   - Promoting subsidy in purchasing the materials
   - Ensuring patent rights
   - Encouraging competition immediately
   - Increasing import duty on its substitute which are now commonly being imported from other countries
   - None of the above
   No, the answer is incorrect.
   Score: 0
   Accepted Answers: None of the above

6) Deadweight loss is a loss of economic efficiency which can appear when demand and supply cannot move equilibrium in a free market framework
   - True
   - False
   No, the answer is incorrect.
   Score: 0
   Accepted Answers: False

7) Economic externalities can often be a result of market failure
   - True
   - False
   No, the answer is incorrect.
   Score: 0
   Accepted Answers: True

8) Cause theorem is generally applicable when
   - Lesser number of shareholders involved
   - Transaction cost is extremely manageable
   - Property rights are well-defined
   - All of the above
   No, the answer is incorrect.
   Score: 0
   Accepted Answers: All of the above

9) In order to ensure efficiency, the amount of a tax or fine to be imposed on a hospital which is not managing bio-medical waste properly should be
   - The firm's marginal cost
   - The social marginal cost
   - The difference between the social marginal cost and the firm's marginal cost
   - The sum of the social marginal cost and the firm's marginal cost
   No, the answer is incorrect.
   Score: 0
   Accepted Answers: The sum of the social marginal cost and the firm's marginal cost

10) Why does a private investor substitute public goods?
    - Fewer problems
    - Possibility of unaided government interventions
    - May be difficult to sustain in volatile industries
    - All of the above
    No, the answer is incorrect.
    Score: 0
    Accepted Answers: All of the above