

Unit 8 - WEEK 7:Economic Externalities, Public and Private Goods

Course outline

How to access the portal

Week

1:Introduction,Consumer Behaviour, Demand and Supply

WEEK 2: Elasticities of Demand and Supply and Theories of Production.

WEEK 3: Theories of Cost and Grossman's Demand for Healthcare

WEEK4: Market Imperfections, Healthcare Financing

WEEK 5: Health Insurance

WEEK 6:Impact Evaluation, Social Determinants of Health

WEEK 7:Economic Externalities, Public and Private Goods

Lecture 40:Types of Goods- Excludability and Rivalry in Consumption

Lecture 41:Public Goods, Common Resources and decision making based on Cost-Benefit Analysis

Lecture 42:Tragedy of Commons and Evaluation Framework

Lecture 43:Fundamental concepts of economic externalities

Lecture 44:External cost, external benefit and efficient output

Quiz : Week 7 Assessment

Feedback For Week 7

Solution for Assignment - 7

Week8: Population, Health and Development

Additional Reading Materials

Week 0

Correct solutions for reevaluated assignments

Week 7 Assessment

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

Due on 2019-09-18, 23:59 IST.

1) If no one can be excluded from consuming a product, but there is rivalry in accessing the product, then the product type is known as **1 point**

- Public good
 Natural monopoly
 Private good
 Common resources

No, the answer is incorrect.
Score: 0

Accepted Answers:
Common resources

2) An industry which does not treat its pollutants properly can cause **1 point**

- Positive production externality
 Negative production externality
 Negative consumption externality
 Both b and c

No, the answer is incorrect.
Score: 0

Accepted Answers:
Negative production externality

3) In the case of a positive externality, the social marginal benefit will **1 point**

- exceed the private marginal benefit
 fall short of private marginal benefit
 bear 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 benefit

4) The 'tragedy of the commons' is **1 point**

- Exhaustion of resources that are collectively owned
 When there is no excludability but there is a rivalry in consumption
 Enjoying something at the cost of others' expenditures
 A and B
 All of the above

No, the answer is incorrect.
Score: 0

Accepted Answers:
A and B

5) How can a government respond if there is a positive consumption externality in an innovative automobile technology? Find the wrong one. **1 point**

- Providing subsidy in procuring its materials
 Ensuring patent rights
 Encouraging competition immediately
 Imposing increased import duty on its substitutes which are now currently being imported from other countries
 None of the above

No, the answer is incorrect.
Score: 0

Accepted Answers:
Encouraging competition immediately

6) Deadweight loss is a loss of economic efficiency which can appear when demand and supply cannot ensure equilibrium in a free market framework **1 point**

- True
 False

No, the answer is incorrect.
Score: 0

Accepted Answers:
True

7) Economic externalities can often be a result of market failure **1 point**

- True
 False

No, the answer is incorrect.
Score: 0

Accepted Answers:
True

8) Coase theorem is generally applicable when **1 point**

- Lesser number of stakeholders involved
 Transaction cost is internally 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 **1 point**

- 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 difference between the social marginal cost and the firm's marginal cost

10) Why does a private investor avoid supplying public goods? **1 point**

- Free rider problem
 Possibility of unwanted 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