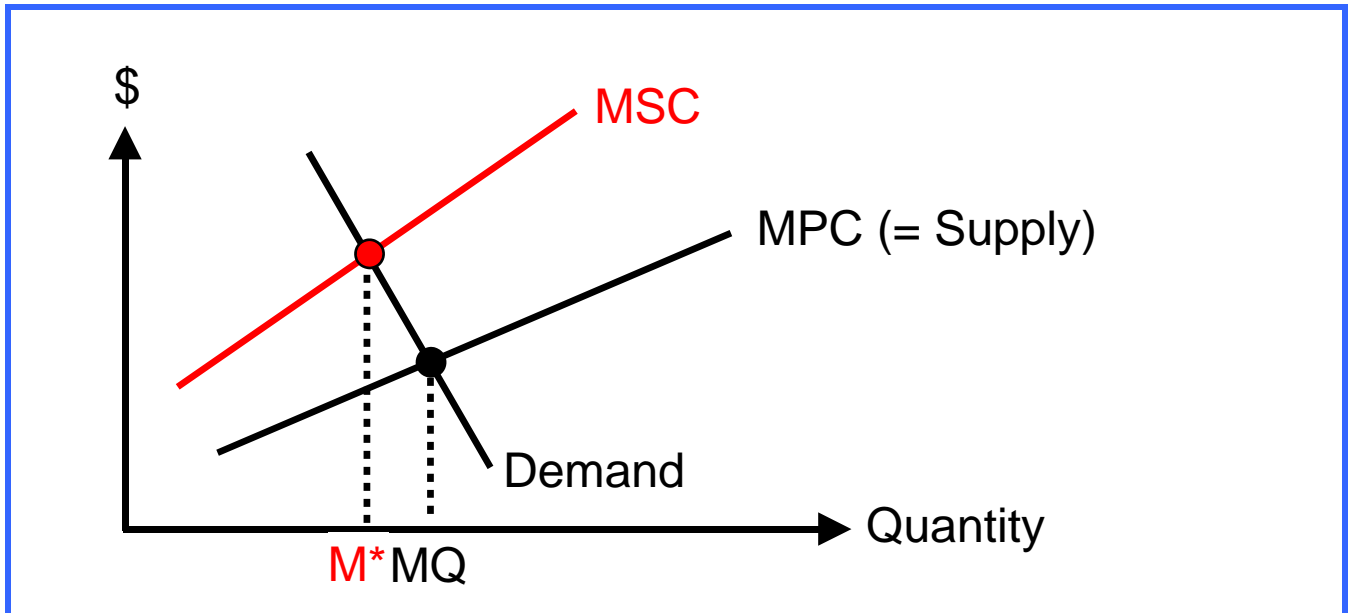
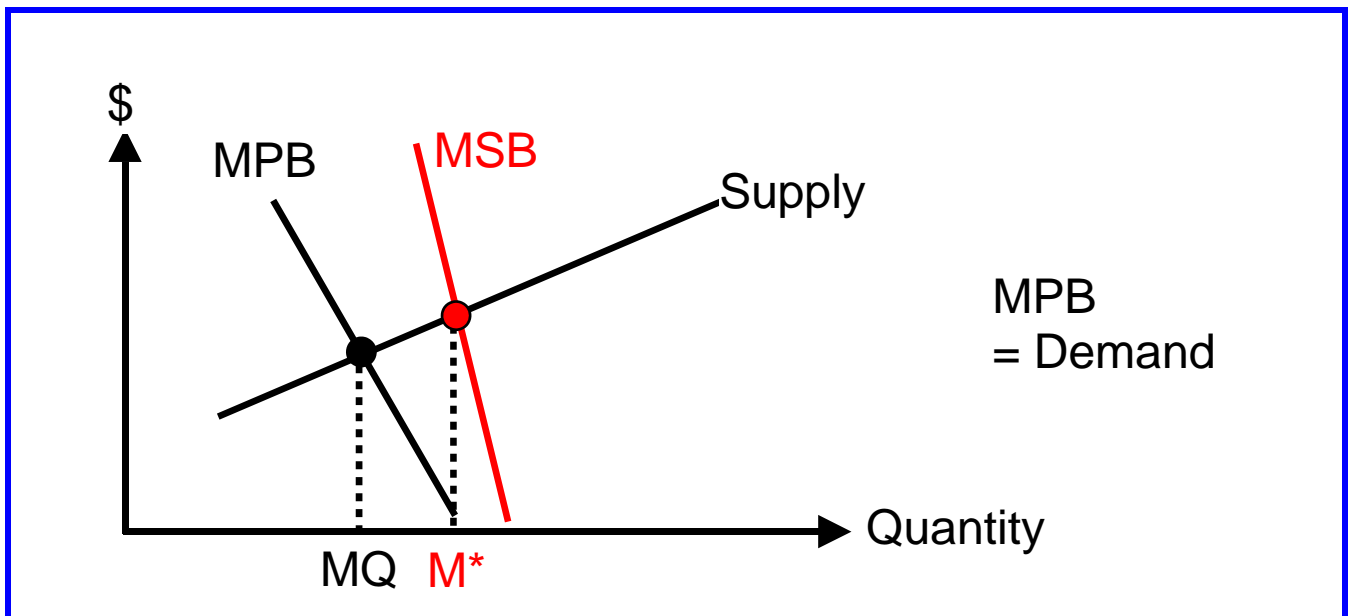


# Externality

## ① Negative externality (with external costs)



## ② Positive externality (with external benefits)



MPC = Marginal private costs	MSB = Marginal social benefits
MPB = Marginal private benefits	MQ = Market quantity
MSC = Marginal social costs	M* = Optimal quantity