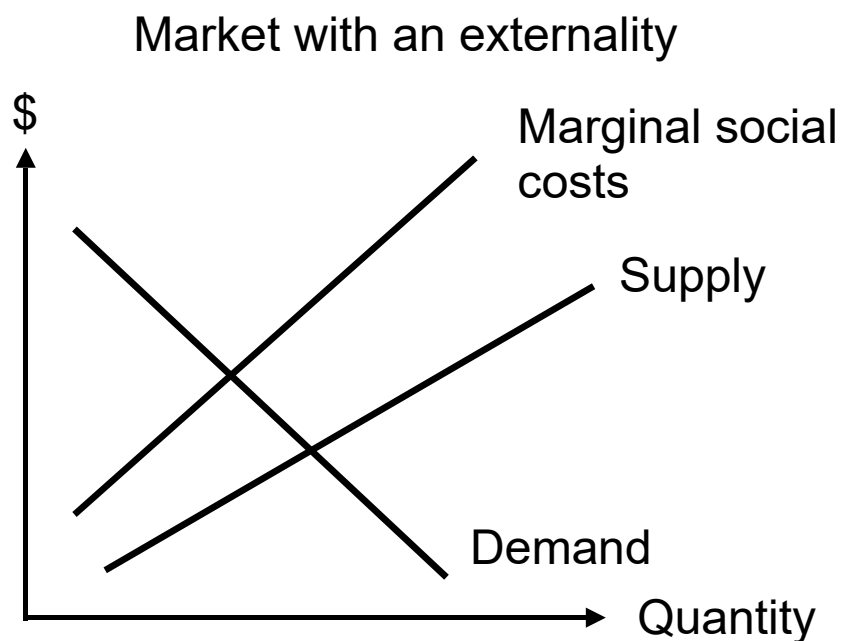


Externality - in general (E09b)

⇒ The following graph shows the case of a market with an externality.

Answer the following questions:

- Is there an externality of consumption or of production?
- Is there a positive or negative externality?
- How much is the private and the social optimum (show it in the graph)?



Click to get the answer!