

17-Lecture-17-Externalities-Part-1

SURVEY

1 Are you a regular TikTok and/or X user?

- A Yes
- B No

SURVEY

2 How do you feel about the overall use of TikTok / X

- A Use regularly – Glad it's around
- B Use regularly – Wish it didn't exist
- C Do not use regularly – Glad it's around
- D Do not use regularly – Wish it didn't exist

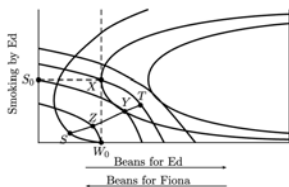
SURVEY

3 What's the right resolution of this Baker-Doctor externalities conflict?

- A Baker is creating the externality. *Baker must stop*
- B Baker was there for 60 years, living is his best life. *This is the doctor's problem*
- C Solomonic compromise. *They should both suffer*
- D None of the above. *Suggest an alternative*

4 If we **do not** assign air quality property rights to Fiona or Ed, and we start at W_0 , what is the equilibrium of this market?

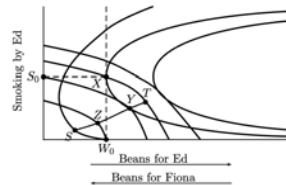
Figure 5.1: A One-Sided Externality



- A Point W_0
- ☒ B Point X
- C The region S-Z
- D The region Y-T

5 If we assign air quality property rights to **Ed**, and we start at W_0 , what is the equilibrium of this market?

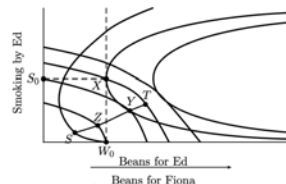
Figure 5.1: A One-Sided Externality



- A Point W_0
- B Point X
- C The region S-Z
- ☒ D The region Y-T

6 If we assign air quality property rights to **Fiona**, and we start at W_0 , what is the equilibrium of this market?

Figure 5.1: A One-Sided Externality

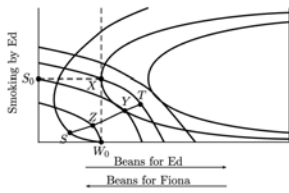


- A Point W_0
- B Point X
- ☒ C The region S-Z
- D The region Y-T

SURVEY

7 What is the *most efficient* solution to this problem?

Figure 5.1: A One-Sided Externality



- A Point W_0
- B Point X
- C The region S-Z
- D The region Y-T

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