

## 8.1 Predicting and Monetizing Impacts 1

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What have we done so far?

- 1) Alternative decisions, impacts, standing, efficiency
- 2) Benefits + costs, willingness to pay,  $\Delta CS$ ,  $\Delta PS$ , opportunity cost
- 3) Distortions
- 4) Secondary market impacts
- 5) When market impacts observable, use them
- 6) If only observe initial  $P, Q$ 
  - elasticity estimates
- 7) Make reasonable assumptions
  - constant cost
  - pure monopoly, use  $3^rd$   $P_0 \rightarrow$  get  $MC$
- 8) Focus on  $\Delta PS$ ,  $\Delta CS$ ,  $\Delta SS$ , and  $\Delta GS$