

- 14** What is an externality created by an individual consuming take-away food?
- A** the cost to the individual of purchasing the take-away food
 - B** the litter created by the individual's take-away food packaging being discarded
 - C** the pleasure derived by the individual from eating the take-away food
 - D** the time saved by the individual purchasing the take-away food
- 15** A project has a social cost of \$100 million, a private cost of \$40 million and an external benefit of \$20 million. Its net social value is zero.

What can be concluded about the project?

- A** External cost is greater than external benefit.
 - B** Private cost is greater than external cost.
 - C** Private cost is greater than private benefit.
 - D** Social cost is greater than social benefit.
- 16** What is least likely to be included in a cost-benefit analysis of a proposed new university?
- A** the costs of building the new university
 - B** the extra income earned by the new university's graduates
 - C** the future staffing costs of other universities
 - D** the staffing costs of the new university five years into the future
- 17** A local government decided to organise a craft show in its exhibition centre. Admission was \$3. It promoted the show by paying for advertisements on advertising sites around the area.

How may the craft show and the advertisements be classified from the viewpoint of local residents?

	craft show	advertisements
A	private good	private good
B	private good	public good
C	public good	private good
D	public good	public good