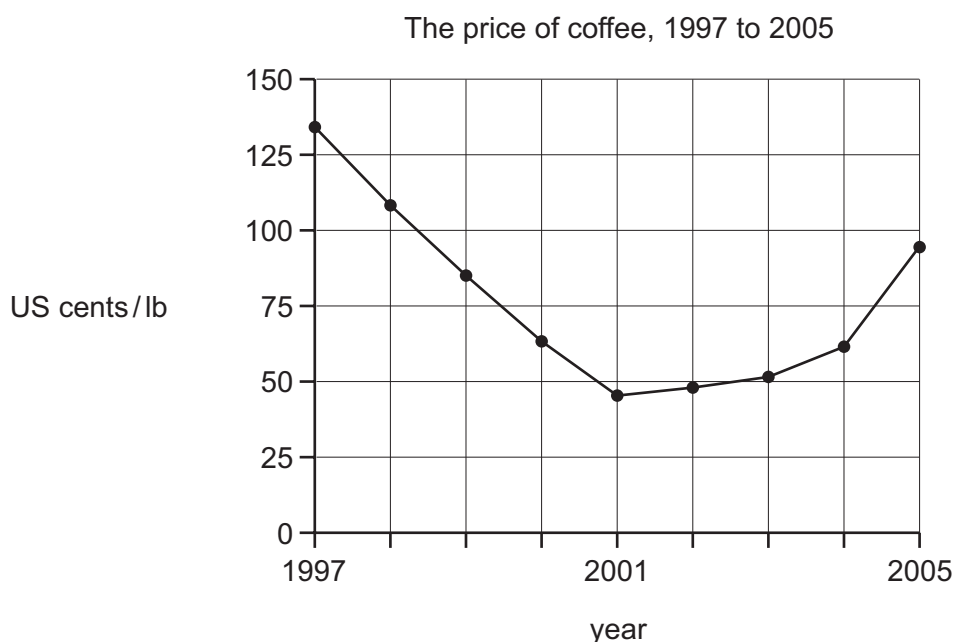


- 13** The diagram shows the average world price of coffee in US cents per pound weight (lb) between 1997 and 2005.



Which event is consistent with the price behaviour shown in the specified time period?

- A** a continuous rise in the price of tea between 1997 and 2001
  - B** the entry to the market of new producers of coffee between 1997 and 2001
  - C** a series of good coffee harvests between 2001 and 2005
  - D** increasing health worries about drinking coffee between 2001 and 2005
- 14** A firm owns a bridge and charges all vehicle users who cross it.

How might the charge be classified?

- A** an external benefit and an external cost
  - B** an external benefit and a private cost
  - C** a private benefit and an external cost
  - D** a private benefit and a private cost
- 15** Which statement about externalities is correct?
- A** Externalities are easier to value than private costs and benefits.
  - B** Externalities are only associated with industrial production.
  - C** Externalities can be both beneficial and harmful.
  - D** Externalities cannot exceed private costs and benefits.