

**14** The table shows some of the costs when a firm produces a good.

output	total cost to society \$	external cost \$
23	316	16
24	322	18

What is the additional cost to a firm of producing the 24th unit?

- A** \$2                      **B** \$4                      **C** \$6                      **D** \$8

**15** What makes it particularly difficult to take decisions using cost-benefit analysis?

- A** External costs are difficult to estimate accurately.  
**B** Governments have no method of valuing time savings.  
**C** Market forces have no influence on the outcome.  
**D** Private costs can vary from one day to the next.

**16** Which good is excludable but non-rival?

- A** air defence  
**B** public libraries  
**C** street lighting  
**D** television broadcasts