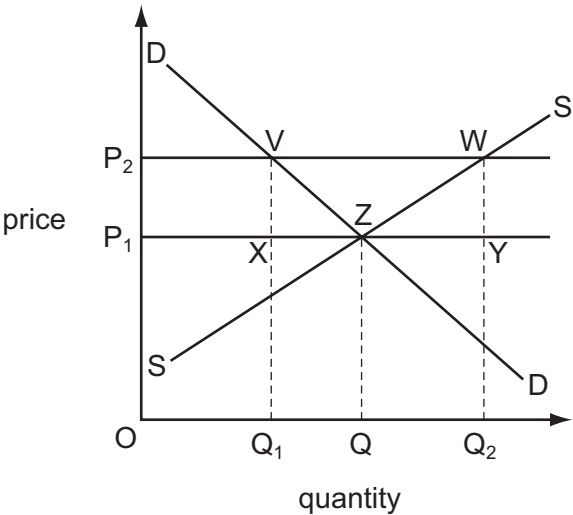


- 16 The table shows, for two different quantities of good X, the total amount consumers are willing to pay and the total external benefits that are generated.

quantity of good X (units)	consumers' willingness to pay (\$)	total external benefits (\$)
3	240	54
4	280	68

What is the additional social benefit when 4 units rather than 3 units are produced?

- A    \$14                      B    \$40                      C    \$54                      D    \$348
- 17 The diagram shows the market for apples. A government maintains a minimum price  $P_2$  by buying apples.



Which area shows the amount of money the government has to spend to maintain the price  $P_2$ ?

- A     $P_2WYP_1$             B     $P_2VQ_1O$             C     $P_2WQ_2O$             D     $VWQ_2Q_1$
- 18 What is a defining characteristic of a private good?
- A    It is purchased by individual customers.
- B    It is supplied exclusively through the market.
- C    It is produced only by private sector firms.
- D    When consumed by one individual, it is not available to others.