

- 15** Which statement about a product with external costs must be correct?
- A** The consumption of the product has positive effects on third parties.
  - B** The private costs of its production exceed the social costs of its production.
  - C** The production of the product has negative effects on third parties.
  - D** The social costs of its production exceed the social benefits of its production.
- 16** The government buys more speed cameras from the manufacturer. What would be included among the external benefits of increasing the number of speed cameras on a country's roads?

	additional jobs in camera production	additional government revenue from fines on motorists	a reduction in road accidents	a reduction in fuel consumption
<b>A</b>	no	no	yes	yes
<b>B</b>	no	yes	yes	no
<b>C</b>	yes	no	no	yes
<b>D</b>	yes	yes	no	no

- 17** Advances in technology are turning a number of goods which are usually thought of as public goods, for example, television broadcasting, into private goods.

Why might this be so?

- A** Consumer surplus is being increased.
- B** The costs of production are being reduced.
- C** It is becoming easier to exclude non-payers.
- D** The technology is increasing the number of people consuming the goods.