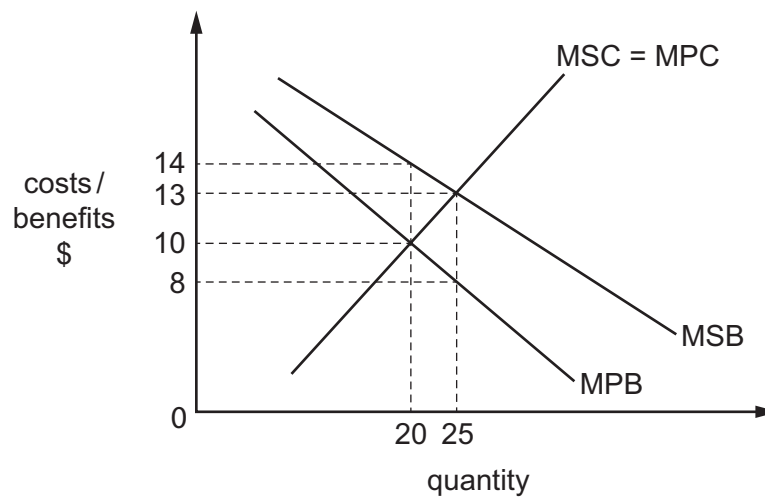


- 15 The diagram shows the private and social costs and benefits that arise from the consumption and production of a good.



If there is no government intervention, what is the value of the marginal external benefit?

- A** \$2                      **B** \$3                      **C** \$4                      **D** \$6
- 16 What can be provided only as a public good?
- A** road use  
**B** security services  
**C** street lighting  
**D** TV broadcasting