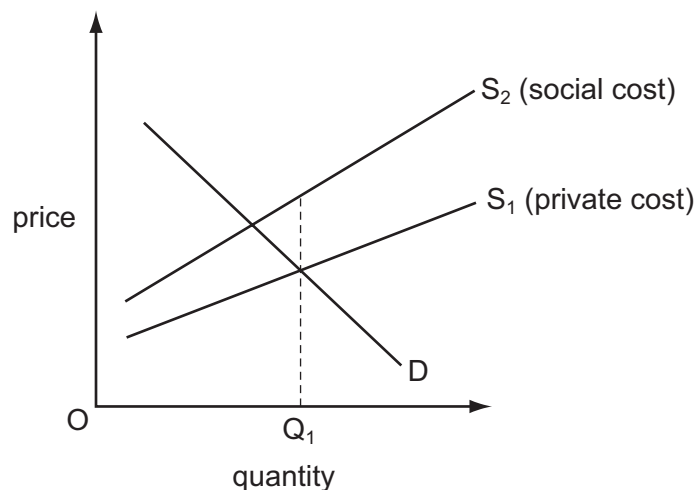


14 In the diagram, Q_1 is the quantity produced of a good as the result of market forces.



What concept is present at output Q_1 ?

- A** a government subsidy
- B** a negative externality
- C** a positive externality
- D** price instability

15 A government carries out a cost-benefit analysis to determine whether to build a new airport.

In which circumstance will it proceed with the project?

- A** when external benefit exceeds external cost
- B** when private benefit exceeds private cost
- C** when there is a net private benefit
- D** when there is a net social benefit