

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