

**13** The table shows some of the costs when a firm produces a good.

| output | total cost to society<br>\$ | external cost<br>\$ |
|--------|-----------------------------|---------------------|
| 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

**14** 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.

**15** Which good is excludable but non-rival?

- A** air defence  
**B** public libraries  
**C** street lighting  
**D** television broadcasts