

- 15** UK supermarkets can buy some vegetables at a lower price from Kenyan farmers than from UK farmers.

When the environmental damage caused by transporting the vegetables is taken into account, the social costs of UK supermarkets buying Kenyan vegetables is higher than the social costs of buying UK grown ones.

What can be concluded from this information about the buying by UK supermarkets?

- A** The external benefit of buying vegetables from Kenya is higher than buying them from the UK.
 - B** The external cost of buying vegetables from Kenya is higher than buying them from the UK.
 - C** The private cost of buying vegetables from Kenya is higher than buying them from the UK.
 - D** The social cost of buying vegetables from Kenya is lower than buying them from the UK.
- 16** What can be calculated as part of a government cost-benefit analysis that would **not** be calculated by a firm seeking only to maximise profits?
- A** long-run cost
 - B** monetary cost
 - C** net social cost
 - D** opportunity cost
- 17** The government has to choose the best one of four possible sites to locate a port.

The benefits and costs of each site are shown in \$m in the table.

Which site would be chosen?

	private benefits	external benefits	private costs	external costs
A	700	1100	20	5
B	800	1100	80	40
C	900	600	10	50
D	1000	900	100	200