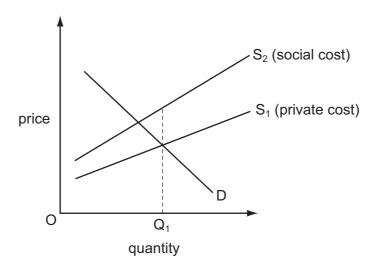
14 In the diagram, Q_1 is the quantity produced of a good as the result of market forces.



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