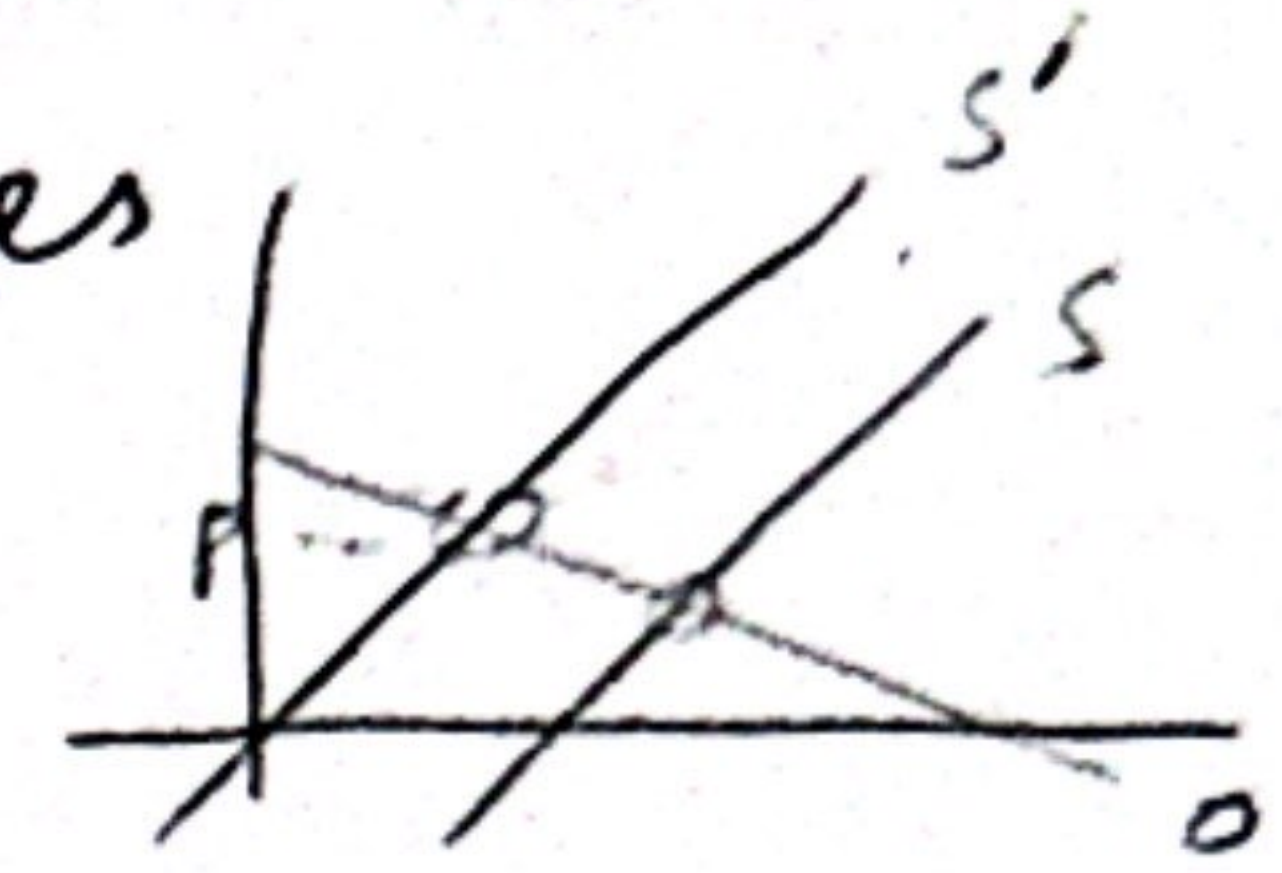


1. If the production of a good causes a negative externality and the good is not regulated, the marginal social cost of the good will be lower than its price in a competitive equilibrium. True or false, explain. [2 marks]

✓ False. When there is supply shortage the prices increase and demand decreases, the marginal social cost will be higher than its price in competitive equilibrium.

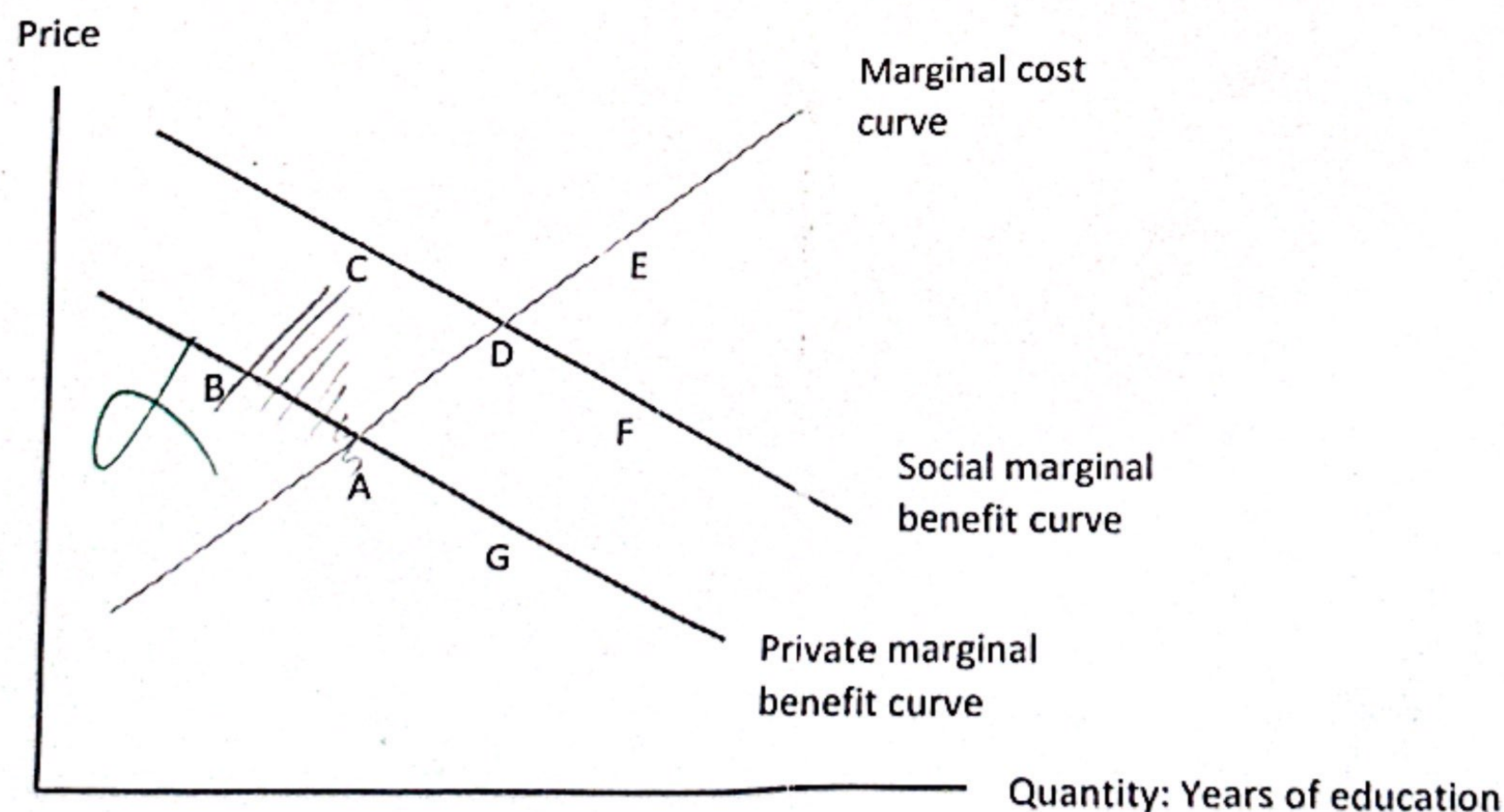


2. A public radio station just started broadcasting and can reach every home in Lahore, a city with millions of residents. This year, 20 thousand people migrated to this city. The marginal cost of providing the radio to the 20 thousand new migrants is zero. True or false, explain. [2 marks]

✓ True. Since there are millions of residents an additional 20 thousand people will not really bring a change to demand since it's a small addition.

NA quite right

3. A positive externality occurs when the marginal social benefits exceed the marginal private benefits. Education, for example, benefits both the individual and society at large. However, a student will consider only the marginal private benefit and marginal private cost when deciding how much education to obtain. Which area indicates the deadweight loss to society when a competitive market results in lower than the social optimum amount of education? [2 marks]



a) ABC
f) AFG

b) ABD
g) BCD

c) ACD
h) CDE

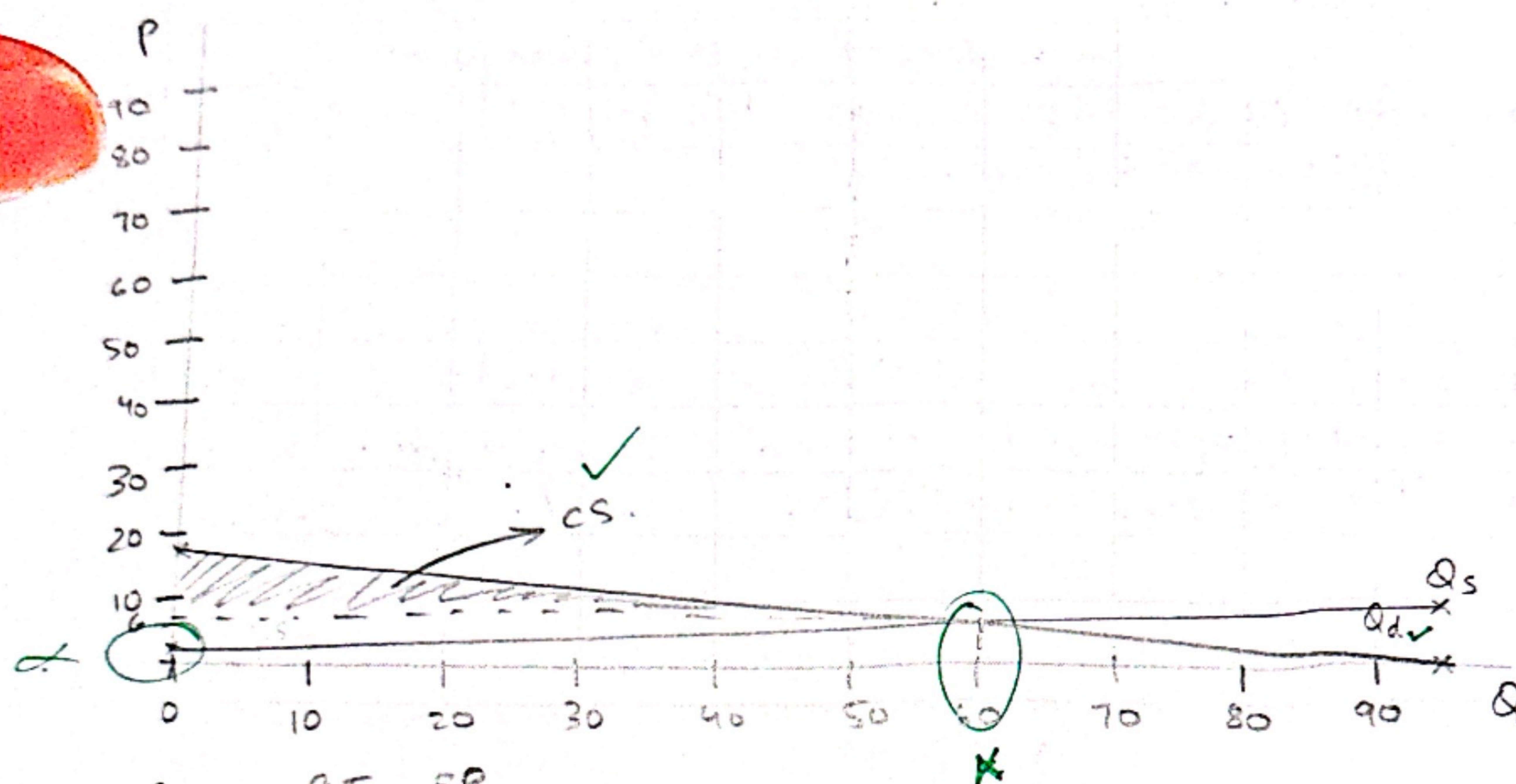
d) ADG
i) DEF

e) ADF
j) DFG

Explanation:

Since the competitive market results in lower than social optimum

4. Demand for a good is given by $Q_d = 95 - 5P$, where Q_d is the quantity demanded and P is the price of the good. Supply of the good is given by the equation $Q_s = 5 + 10P$, where Q_s is the quantity supplied. How much of the good will be supplied in a competitive equilibrium? What is the consumer surplus (CS)? You must draw the curves and ensure that the graphs are correctly labelled including showing the CS. [4 marks]



$$Q_d = 95 - 5P$$

$$(95, 0) (0, 19)$$

$$Q_s = 5 + 10P$$

$$(5, 0) (0, 0.5) (95, 9)$$

$$95 - 5P = 5 + 10P$$

$$90 = 15P$$

$$P = 6$$

$$Q_s = 5 + 10(6)$$

$$= 65$$

So 65 units good will be supplied. ✓

Consumer Surplus

$$\frac{1}{2} \times 65 \times (19 - 6) = 13$$

✓

✓

-2

Climate Change - ENVS 202/SDP 252

QUIZ 03 -L2

5

Name: *Brecha Dasir*

Enrollment/ID: *8283*

1. What concept describes the proposed new geological epoch influenced by human activities?

- A) Holocene
- ☒ B) Anthropocene
- C) Pleistocene
- D) Eocene

2. What is identified as a critical planetary threshold temperature rise above preindustrial levels?

- A) 1°C
- B) 1.5°C
- ☒ C) 2°C
- D) 3°C

3. What was uncovered about ExxonMobil's internal knowledge regarding global warming?

- A) They predicted global warming correctly since the 1970s
- B) They knew nothing about it until the 2000s
- ☒ C) They denied the possibility of climate change
- D) They learned about global warming from external scientists

4. Which external climate phenomenon did ExxonMobil correctly reject in favor of global warming predictions?

- A) Rising sea levels
- B) Ozone depletion
- ☒ C) A coming ice age
- D) Volcanic cooling

5. What is one of the primary reasons for the poor implementation of climate change policies in Pakistan?

- A) Lack of international support
- B) A strong decentralized governance structure
- C) Overfunding of climate adaptation programs
- ☒ D) A top-down management approach creating misinterpretations

6. What factor has contributed to mistrust between different governing entities in Pakistan?

- A) Lack of funding for adaptation measures
- ✓ ☒ B) Absence of stakeholder inclusivity in policy design
- C) Excessive involvement of non-governmental organizations
- D) Strict international regulations on climate governance

7. Which agreement sets the global target to keep warming well below 2°C?

- ✓ ☒ A) Paris Agreement
- B) Kyoto Protocol
- C) New York Declaration on Forests
- D) Montreal Protocol

8. Which sector accounts for the largest share of global greenhouse gas emissions?

- ✓ ☒ A) Transport
- B) Buildings
- C) Agriculture
- D) Electricity generation

9. Which social group is most disproportionately affected by climate change worldwide?

- ✓ ☒ A) The middle class
- B) Rural populations
- C) Poor and vulnerable populations
- D) Day laborers

10. What does the article "Climate Change Impacts Increase Economic Inequality" suggest about the role of adaptation in mitigating inequality impacts?

- ✓ ☒ A) It exacerbates inequalities
- B) It can mitigate impacts if targeted correctly
- C) Adaptation has no role in inequality
- D) It only benefits developed countries