

Short Answer Questions

Chapter 11.

1. Using examples, explain what is meant by the terms 'excludable in consumption' and 'rival in consumption'.
2. Why is the provision of a police force in a country classed as a public good? Could a police force ever be a private good? Explain your answer.
3. Using the example of national defence, explain the relevance of the 'free-rider' problem.
4. Why is the provision of utilities such as water supply considered a natural monopoly?
5. Explain why blackberries growing on hedgerows in towns and the countryside can be considered common resources and under what circumstances they would not be regarded as common resources.
6. Campaigners are fighting to prevent the loss of an area of land which has a river running through it and is considered an area of outstanding beauty and important to wildlife. The land is wanted by a developer to build starter homes for young people living in the area. The government promises to conduct a cost-benefit analysis of the issue. Analyse and evaluate some of the problems they face in taking into account both the private and social costs of the development.
7. What is the best way to measure the value of a human life to enable policy makers to make efficient and equitable decisions? Explain your answer.
8. What is the maximum amount of additional tax, each year, which you would be willing to pay if the government could guarantee to increase your security and safety by 50 per cent? Explain your reasoning.
9. Why do roads get congested? What is the best solution for reducing congestion in your opinion? Justify your answer.
10. In some countries, whaling is seen as being part of the nation's culture; in others it is seen as being primitive and has no justification. What solutions might economists put forward to reconcile these apparently divergent viewpoints?