

ECON 315 Assignment 1 (Topic 2)

Directions:

- The due date is on the schedule page. (Late assignments not accepted.)
- You may complete the assignment in a group of up to three students.
- Submit the assignment in D2L.
- Submit only one assignment per group.
- List the names of all members at the beginning of the assignment.

Questions:

1. The chapter discusses the concept of economic efficiency and how it relates to environmental protection. In your own words, how would you define economic efficiency? Why is it important for analyzing environmental policy options?
2. The excerpt argues that the economically efficient level of pollution is generally not zero. Do you agree or disagree with this claim? Explain your reasoning.
3. The chapter introduces the idea of discounting future costs and benefits when evaluating policies over time. In your view, what discount rate should policymakers use when evaluating long-term environmental policies? Why?