

## ECON 315 Assignment 2 (Topic 3)

### 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. What are some of the key challenges in measuring the benefits of environmental protection? How have economists tried to overcome these challenges?
2. The chapter discusses four main critiques of benefit-cost analysis. Which of these critiques do you find most compelling? Why?
3. The Kaldor-Hicks criterion states that one policy is superior to another if the winners could compensate the losers, even if such transfers do not actually occur. What are some of the strengths and weaknesses of using this potential Pareto criterion rather than requiring actual compensation?