

## ECON 315 Assignment 4 (Topic 5)

### 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. Why do markets tend to fail when it comes to environmental goods and problems?

What are the key concepts of negative externalities, public goods, and the tragedy of the commons?

2. How are negative externalities, public goods, and the tragedy of the commons fundamentally connected, according to the authors? What is the root issue they have in common?

3. The authors argue that the solution to environmental problems is not to avoid markets, but to "fill in" their incomplete nature. What does this mean? Can you give some examples of ways to address market failures discussed in the reading?