

Student ID:  
 Full Name:

### Quiz 3

(5 points)

Time: 11 November 2022 at 14:00-14:40 (40 minutes)

You need to answer all questions.

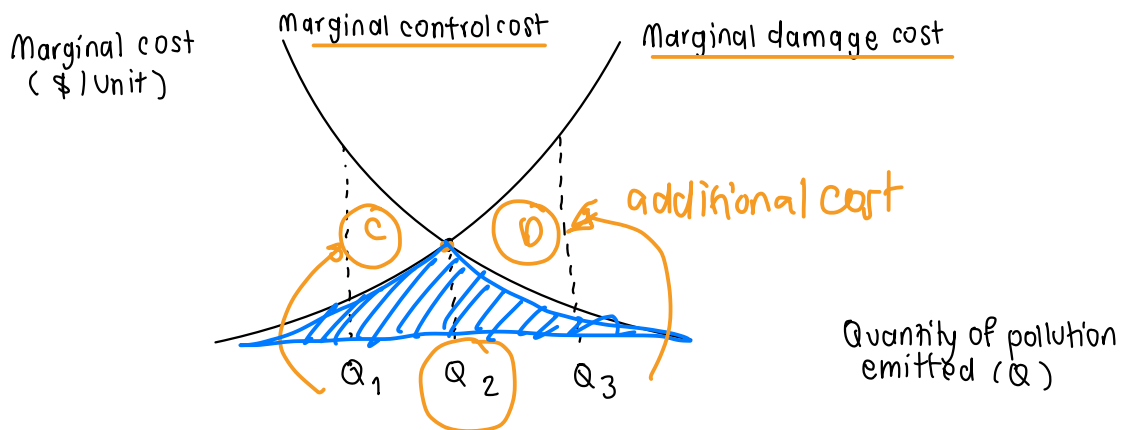
Stock . fund  
 damage is persistent - can be absorbed  
 create burden for future generation - not affect future

**Question 1:** What is the main difference between stock and fund pollutants? (20%)

Roles of technological progress

**Question 2:** What could be ways to reduce stock pollutants? (Provide 2 ways) (20%)

**Question 3:** Which Q is the efficient allocation of a fund pollutant? Please explain why that level of Q is efficient. (40%)



**Question 4:** Why does a firm choose to control emissions when there is an emission charge? (a short explanation – no need to draw graph) - (20%)

$MC < T \Rightarrow$  cheaper to control