

Quiz 3

(5 points)

Time: 29 October 2021 at 14:50-15:20 (30 minutes)

There are 2 questions. You need to answer all two questions. Please **submit** your answers in a PDF file with a file name “**Quiz3_StudentID_FirstName Surname**” via BE Moodle class before **15:30**.

Question 1: (2.5 points)

“Thailand will formally announce a new pledge to achieve carbon neutrality by 2065 at the COP26 in UK in November 2021.”

- a. What could be the reasons driving Thailand to set carbon neutrality target at COP26?
- b. What policies could be used to achieve carbon neutrality in Thailand?

Question 2: (2.5 points)

“A cost-effective allocation of a uniformly mixed fund pollutant is where marginal costs are equalized for all sources or firms.” Do you agree with this statement? Explain the reasons supporting your answer.

1a) Thailand sets a goal for carbon neutrality at COP26 to reduce the country's carbon emissions. COP26 is an event where countries around the world come to discuss for taking action in climate change crisis. Thailand is one of the top countries which holds a place in creating highest emissions in ASEAN. So, COP26 is an important meeting in order to find a way to prevent from climate change crisis.

1b) In this case, Thailand could implement mitigation policies such as carbon tax from the firms which produce carbon emissions to increase their costs so that they would produce less. Emission trading system could be another way from mitigation policies.

2) I agree, because when MCs are all equal, the firms could minimize the total cost of reduction.
($MC_1 = MC_2$)