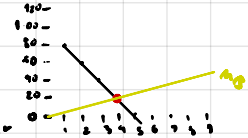
1 a.) You should order hamburger for 4 unit because of at 4 unit MC = MB which mean that maginal cost equal to marginal benefit that consumer still satisfy

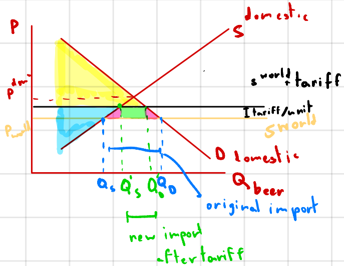


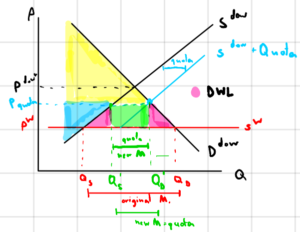
b) It is underallocation since the MB = MC at 4 unit but he decide to order only two which mean that deadweight loss will be 2 hamburger

c) It is overallocation since the MB = MC at 4 unit but he decide to order for 5 unit which mean that deadweight loss will be 1 hamburger

Q	Total Benefit	MB	TC	MC	Total Net Benefit
1st	80	80	20	20	60
2nd	140	60	40	20	100
3rd	180	40	60	20	120
4th	200	20	80	20	120
5th	200	0	100	20	100

2.





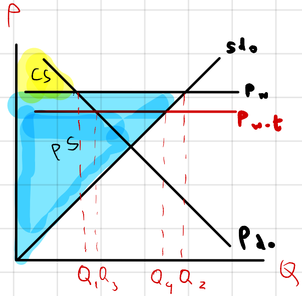
The different between tariff and tax is tariff is not limited the import quantity but qoute is limit

The tariff have non equilibruim point but the quota have equilibruim point.

In tariff producer and government because of tariff making the shift in S^w upward. This allow domestic producer compete against foreign producer. Producer sell at higher price and goverment get tariff revenue. Consumer worstoff since they have to pay more for same goods.

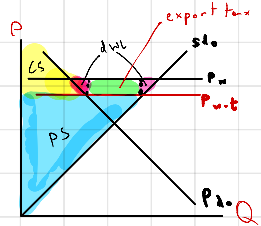
In quota, the consumer wostoff since they have to pay at P_{quota} instead of P_{world}. The producer get better since they can buy at P^{world} and sell at P^{quota}. Goverment would be better since people buy more on domestic iteam and quota license.

3.)



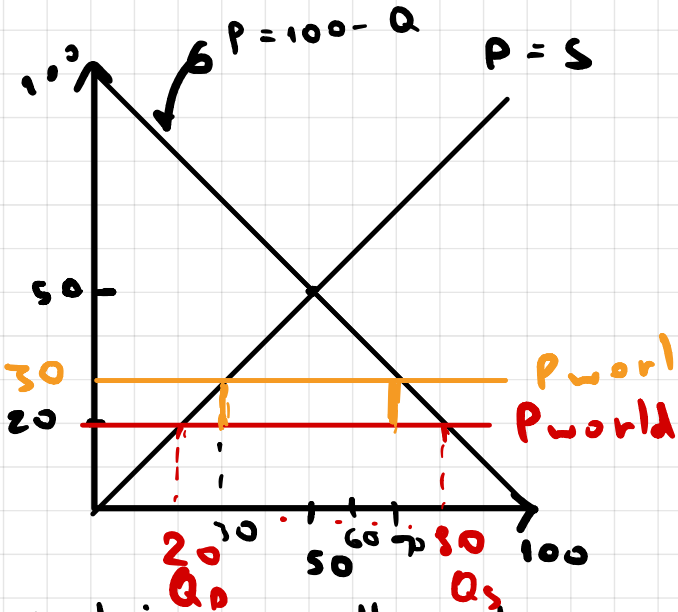
Consumer gain benefit since CS is larger the export tax making the price lower due to lower exporting.

Government got the export tax but the producer worst off due to they have to pay for a tax P reduce Q reduce PS is smaller.



4. $Q = 100 - Q$

$P = 100 - Q$



c. i $CS = \frac{1}{\cancel{2}} \times \cancel{70}^{35} \times 70 = 2450$

$P.S. = \frac{1}{\cancel{2}} \times \cancel{30}_{15} \times 30 = 450$

ii Tariff rev $= 10 \times 100 = 1000$

iii DWL $= 10 \times 10 = 100$

a.) being a small country is mean that it P domestic cannot effect P_w because it small so it cannot control the price

b.) It is an import country, because Pworld is less than P domestic so that if the country import the product and sell for P domestic there will be profit. Import by 60 unit of Q