<center>Lecture 13: Externalities</center>

PPPA 6007
Fall 2024

Goals for this class

- Identify an externality

- Explain how an externality impacts our interpretation of the market outcome

- Apply policy tools to correct for externality problems

What to read for this assignment

- Stevenson and Wolfers, Chapter 10, sections 1 to 3 and 5

- Linked reading on London congestion charge

- Linked reading on vaccines

What to turn in for summary

For each article, please write the following

1. Describe the externality at issue

2. Explain whether the externality is positive or negative

3. What policy does the government use to try to deal with the issue of the externality?

4. Describe the benefits and costs of this policy for consumers

This need not be a long response. A well-written one page is sufficient. No response should be longer than two pages.

How to turn in

- Turn assignment into Blackboard

- Go to "assignments" and you'll see the Lecture 13 case study submission.

- Submit a pdf.