Public finance assignment

Business

In Montana, there are some large deposits of water containing dissolved methane (fossil fuel). It Is possible to pump this water out of the ground and release the methane, which can then be sold, This process produces lots of waste water, which poisonous properties, which is being dumped into nearby streams, which then flow onto the land of downstream ranches, severely damaging the land. Discuss this problem using the tools of public finance and propose two solutions, one involving taxes and the other involving property rights.

Question 2 In the Singsong's area of Southern Province cattle Ranching and crop agriculture re the main economic activities. Cattle kept by the ranchers have been found to destroy the crop thus causing losses in terms of reduced food output. The table below shows, for each of cow/bull output, the Marginal cost (MAC), the marginal benefit (MS) to rancher, and the Marginal damage (MD) done to crops: Output MAC 2 1 600 3 1200 1600 1 oho 5 3200 6 1400 What will be the herd size in Singsong's?

What is the socially efficient size of the herd? Suppose the Zambia Agriculture Research Institute has developed a cattle control technology which reduces the damage to crops by two thirds. The new technology increases marginal cost of each cow/bull by 100 units. What is the efficient size of the herd? Question 3 In an imaginary state of Signaling there are only two people Paul and Mason. Paul and Mason consume only two goods mangoes (M) and Minims (N). Currently Paul consumes Mom's and en's, while Mason consumes m's and en's.

Pall's Marginal rate of substitution for M to N is one and Mason's Marginal rate of substitution is 0. 5. Define a Parent optimal allocation Is the allocation provided above Parent efficient? If so, explain why. If not, show a Seibel Parent improvement. If there was a competitive market for each type of posters, would these markets produce Parent efficient allocation? Question 4 Citizens/voters in a hamlet inhabited by only three citizens consider the provision of street light.