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| Understand the following market failures:   * Public ‘v’ quasi public goods (explain how technical change affects this) * How imperfect information and the absence of property rights may lead to market failure * Explain the causes of environmental market failure (with use of a diagram) |
| Assess the effectiveness of a range of policies to tackle market failures e.g. environmental market failure such as by extending property rights |
| Evaluate the sources of government failure such as regulatory capture |
| Understand the principles of cost benefit analysis and evaluate the effectiveness of CBA. You need to ensure you understand the following key terms:   * Shadow pricing * Discounting |
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