

Do not write your name on the assignment. Write your name only on the back of this sheet of paper and staple your answers on the front of this sheet of paper. Your assignment will be typed, except graphs can be drawn by hand and mathematical equations can be done by hand. Failure to follow these directions will cost you 1 point on the assignment.

- 1) (25 points) Use the MEC/MAC graph to show that taxes are better ways to restrict pollution than pollution quotas.
- 2) (10 points) What is ANNP? Why is it an important concept for developing countries?
- 3) (25 points) The graph of total costs/total revenue vs. effort would imply that there will never be extinction. Explain why it won't occur. However, some animals and plants do die from over harvesting. How can that occur?
- 4) (15 points) Why does the graph of urban concentration of sulphur dioxide vs. per capita income rise then fall?