**Chapter 23**

1. Is it a good idea to maximize economic growth by producing and consuming more and more goods and services? Explain.  What are some alternatives?
2. Describe the interactions among supply and demand, and market prices in a market economic. Why doe a truly free market not exist in today’s capitalist market system?
3. What is market failure and how can the government correct this?
4. Describe 3 ways in which economists estimate the economic values of natural goods and services. Why are these values not included in the market prices of good and services?
5. What is *discount rate?* How are these rates assigned?
6. Define *cost-benefit analysis* and list its advantages and limitations.
7. What is direct (internal) and indirect (external) services and give an example of each. What is the benefit of using full-cost pricing to determine the market values of goods and services? Why is it not widely used?
8. How can subsidies be used for environmentally beneficial purposes? Give 3 examples for each of the following: perverse subsidies, environmentally beneficial government subsidies and tax breaks.
9. What are the major advantages and disadvantages of using green taxes? What are 3 requirements for implementing green taxes successfully? What are the benefits of providing consumers with eco-labels on the goods and services they buy?
10. Distinguish between command-and –control and incentive-based government regulations, and describe the advantages of the 2nd approach.
11. What is the cap-and-trade approach to implementing environmental regulations? What are the advantages and disadvantages of this approach?
12. List 3 ways in which government, businesses, international lending agencies and wealthy individuals could help to reduce poverty.
13. What is micro-lending?
14. What does it mean to relocalize economic benefits? Give an example of how this helps people.