

EC 131 - Lecture 20

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Textbook readings: Chapter 11

1 Public Goods

- Excludability: excludable/non-excludable goods
- Rivalry: rival/non-rival goods
- Private Goods (Rival/Excludable)
- Club Goods (Non-Rival/Excludable)
- Public Goods (Non-Rival/Non-Excludable)
 - Free Rider problem and the solutions available
 - Demand for public good (sum demands vertically)
 - Efficient quantity of public good (Marginal Social Benefit vs Marginal Cost)
- Common Resources (Rival/Non-Excludable)
 - Tragedy of the Commons
 - Solutions available