

Microeconomics, Module 19, "Common property and public goods" (chapter 14)

*Required reading:*

(The attached PDF file has better formatting.)

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{The Landsburg textbook is excellent. We say to read certain sections and to skip others. This does not mean that certain sections are better; it means that the homework assignments and exam problems are based on the sections that you must read for this course. Some of the skipped sections are fascinating, but they are not tested.}

Read section 14.1 on pages 477-481, skip the box at the bottom of page 481, and read the section "Property Rights" on the top of page 482. The final exam tests the two tables on pages 480 and 481 (page 480: "crowd size, value of a visit, and social marginal benefit; page 481: admission fee, crowd size, and social gain).

Read the sub-section "It Can Pay to Be Different" to understand how tastes affect this subject. The mathematics of this section is not tested on the final exam, but know that the analysis at the beginning of the chapter may not apply if consumers have different tastes.

Read section 14.2, "public goods," on pages 486-489; skip pages 490-493. Focus on the two types of market failure, non-excludability and non-rivalry, on pages 486 and 487.

Work through problems 1 and 2 on pages 493 and 494; these are good practice for the final exam questions.