2 Which **one** of the following is an example of market failure?

- ☒ **A** Excessive administration costs associated with government regulation
- ☒ **B** Diminishing marginal utility occurring as consumption increases
- ☒ **C** Rising stock market prices causing a market bubble
- ☒ **D** Unintended consequences after the introduction of a tax

(Total for Question 2 = 1 mark)

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8 The table shows the amount of greenhouse gas emissions resulting from the production of three meat products.

Meat	Greenhouse gas emissions per kilogram (kg) of meat produced
Beef	60 kg
Lamb	24 kg
Poultry	6 kg

With reference to the table, explain what is meant by 'external costs of production'.

9 The table shows the estimated external costs of pollution per capita in selected countries.

Country	External cost of pollution per capita ($)
Germany	950
USA	1 200
South Africa	1 300
Brazil	1 500

With reference to the table, explain **one** reason why the external costs of pollution might be different between these countries.

(Total for Question 9 = 4 marks)