ECN 330 – Chapter 15 extra homework options.

For the 5th homework assignment, you can do any one of the following:

1. p. 318 # 5

2. Use a simple 2-use example to illustrate an efficient price for surface water. Since water is essential for human life, should it be priced in the same way that other (market) goods are services are priced? That is, should efficiency be the goal for pricing in water markets?

3. Explain the basic idea behind average-cost pricing, block pricing, and flat rate pricing of municipal water supplies. Are these pricing strategies efficient? Explain why or why not.