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Due Nov 06, 11:59 PM

Not Submitted

POINTS 10

Paper

Markets and the Economics of the Public Sector

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Purpose of Assignment

In Week 2, students will employ the supply and demand model to develop consumer surplus and producer surplus as a measure of welfare and market efficiency. Students learn about welfare economics--the study of how the allocation of resources affects economic well-being--and will discover that under most circumstances, the equilibrium price and quantity is also the one that maximizes welfare. Students will review different sources of externalities and a variety of potential cures and will see that while markets are usually a good way to organize economic activity, governments can sometimes improve market outcomes. Students will see how the U.S. government raises and spends money and the difficulty of making a tax system both efficient and equitable.

Assignment Steps

Scenario: Imagine you have been assigned the responsibility of preparing a paper for the governor's next economic conference.

Prepare a minimum of a 1,100-word paper for the governor's next economic conference. Your paper should address the following in separate sections with appropriate headings:

- Explain why equilibrium of supply and demand is desirable.
- Explain the following concepts using the concept of consumer and producer surplus:
 - Efficiency of markets
 - Costs of taxation
 - Benefits of international trade
- Discuss how externalities may prevent market equilibrium and the various governments policies used to remedy the inefficiencies in markets caused by externalities.
- Analyze the difference between the efficiency of a tax system and the equity of a tax system as it refers to the costs imposed on taxpayers using the benefits principles.

Cite a minimum of 3 peer-reviewed sources from the University Library in addition to your textbook. Failure to properly cite and reference the paper is considered plagiarism. See the CWE page of the Library on how to prevent plagiarism.

Format consistent with APA guidelines, including an introduction, conclusion, citations, title page, and a reference page. Since this is a team assignment, make sure to allow enough time to check that the formatting is consistent throughout the paper. The correct in-text citation for the textbook is (Mankiw, 2015) and the reference is:

Mankiw, N.Gregory. (2015). Principles of Microeconomics, 7th Edition, Stamford, CT. Cengage Learning.

Click the Assignment Files tab to submit your assignment.

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Resources: [Center for Writing Excellence](#) | [Reference and Citation Generator](#) | [Grammar and Writing Guides](#) | [Learning Team Toolkit](#)

Materials

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