

Name:

Five Minute Exercise

Finding the Efficient Amount of Abatement with Multiple Sources

Given:

A given pollutant is emitted by two sources

Source 1's marginal cost of abatement is given by $MCA_1 = Qa_1$

Source 2's marginal cost of abatement is given by $MCA_2 = 4*Qa_2$

The marginal benefit of abatement is given by $MBA = 100 - (1/5)*Qa_T$

Determine:

The efficient total abatement, Qa_T .

Answer: