Level	MARKET FAILURES	EXTERNALITY GRAPH
	Synthesize the effects of effective price floors and ceiling with the effects of per-unit taxes. ☐ Compare resource allocation and DWL.	**Evaluate the possibility of social and market solutions to market failures?** ☐ How might society avoid government intervention? ☐ Give examples
4	**Analyze why a price floor/ceiling isn't efficient.** ☐ Show DWL and inefficient allocation of resources. ☐ Differentiate b/w effective and ineffective price floors and ceilings.	**Analyze how an externality graph analysis can be synthesized with other types of market failures.** ☐ Use a per-unit tax or subsidy to correct for a market failure. ☐ Explore why lump sum incentives are unsuccessful.
3	**Illustrate how a government may intervene to correct for a market failure by fixing price.** ☐ Price Floor/Ceiling ☐ Per unit tax/subsidy	**Illustrate a positive and negative externality and analyze how per-unit taxes or subsidies can influence a market.** ☐ MSC,MSB ☐ SOL and Dead Weight Loss ☐ Lump sum?
2	**Understand that government intervention, though imperfect, may correct for a market failure.** ☐ Public goods, pollution regulations, etc. ☐ Governments are 3rd Party Payers. ☐ Political pressures.	**Identify that 3rd party costs/benefits are:** ☐ Not experienced in the market. ☐ Not intentional. ☐ Not always explicit. ☐ Sometimes difficult to quantify.
1	**Retrieve/Recall Categories of Market Failures** ☐ Externality (+,-), Open Access Goods, Public Goods, Monopoly, Moral Hazard, Free Rider, Asymmetric Information, 3rd party payer, etc. ☐ Over Q and Under Q pools	**Retrieve/Recall marginal analysis and externalities.** ☐ MB as D ☐ MC as S ☐ MSB/MSC ☐ Positive and Negative Externality