Worksheet

14 Market failure

Complete the following activity on market failure.

Activity

In each case give a definition of each cause of market failure, along with a consequence and an example.

| Cause of market failure | Definition  | Consequence | Example |
| --- | --- | --- | --- |
| External costs |  |  |  |
| External benefits |  |  |  |
| Public goods |  |  |  |
| Merit goods |  |  |  |
| Demerit goods |  |  |  |
| Monopoly  |  |  |  |
| Factor immobility |  |  |  |